International NGO Political Risk Management – Considerations and Options

Introductory discussion paper by Harmattan Risk

March 2019

Table of Contents

Political Risk

- Actual and potential trends, conditions, and behaviour

- Arising from politics (activity aimed at defending or enhancing national or sub-national group identity and influence; propagating ideological values; defining, achieving or thwarting government policy; and sustaining or replacing a particular governing regime) in the relevant operating environment (global, regional, country, local)

- With a potential to impede the organisation's effectiveness, incur reputational and legal liability and harm personnel and assets, or generally to generate disruptive friction between the organisation and the socio-political environment if the organisation fails to adapt or presses an agenda which is problematic to a critical socio-political mass or segment

- Derives from the behaviour of explicitly political actors, such as transnational alliances or organisations, regimes, governments, political parties, opposition movements, and insurgent / terrorist / politically connected criminal groups

- Also derives from the behaviour of social groups and non-official actors when they coordinate to influence political actors' attitudes and behaviour towards the organisation, or when contestation between social groups affects the stability of the operating environment – there can be considerable overlap between organised civil society activity and explicitly political behaviour

- Distinct from other types of organisational challenges in being about the socio-political context in which the organisation operates, not about financial standing, operational efficiency and internal competencies, competition, technology, or health and safety (natural hazards and accidents), although there are linkages with these and with other types of challenges

- Distinct from conventional interpretations of risk, in not just being about specific uncertainties and potential downside events; political risk is also about the organisation's relationship to the socio-political context and actors within it, hence a pure risk management approach to socio-political resilience must be augmented with a relationship-centric perspective

We begin with a more holistic definition of political risk because many definitions in the mainstream literature or online sources are based on the narrow range of insurable risks, and definitions often apply the word "politics", leading to circular logic. A concise rendition could be:

> Potential harm or disruption to an organisation or operation arising from government decisions and behaviour, conflict and instability, and coordinated socio-political pressure.

"Political risk" can only be as clear as "politics" itself, often a grey zone in human interaction with cross-influence on most other domains of activity, but the above outline will hopefully provide some interpretive reference points for the rest of this paper.

Introduction

The objective of this paper is to introduce the concept of political risk management to international NGOs, and to suggest how this could apply towards enhancing an NGO's resilience both globally and in specific country operations.

This objective is premised on our sense that thus far the concept of political risk and political risk management are mainly confined to the business domain. Political risk and management thereof has never been a business fad, there is seldom a political risk management department or function, and there is no regulatory mandate to consider it. Nonetheless, political risk management practices have evolved through both concern and experience, and experienced international companies routinely explore the socio-political dimension as a factor in global planning and in how they structure and conduct operations overseas.

NGOs also examine socio-political factors, but there is a significant difference. While companies look at political risk to themselves, NGOs look at political dynamics as a factor in the issue they are trying to help with. For example, when a company goes to a new country, their main interest in politics and social dynamics is how these might affect the company's wellbeing and its ability to operate. It is not interested in being a socio-political actor and would rather not bother with political considerations at all. It grudgingly does so because it has to preserve itself and sustain its operations. An NGO, on the other hand, is probably partly in a new country because of socio-political dynamics, and interacting with socio-political actors, even changing their attitudes and behaviour in some ways, is often a key part of achieving the NGO's mission.

The full business attitude to socio-political dynamics, including a rather grudging acceptance that this weird variable is important at all, is not useful to NGOs. However, NGOs can learn from companies' sense of political risk, that is, the ways in which socio-political dynamics might harm the organisation itself, including the assets that make it effective in its mission. Taking a page from business, socio-political intelligence and knowhow can be applied not just to the problem the NGO is helping with, but to the question "how could we be affected, and what can we do about it?"

It is important to note that this paper is neither a report nor a research piece. Rather it is a starting point in terms of awareness, formulating relevant questions, and testing relevant ideas and concepts that might help with global and country-level resilience and sustainability of NGO operations. This is informed hypotheses, and it remains only indicative, as an extrapolation of political risk insight to the unique domain of international NGOs, with which we are only somewhat familiar. In several places in the paper there is reference to corporate

political risk management, which was the original application and genesis of the concept and from which useful lessons can be drawn, and this is also indicative of our own greater experience with the business domain. It was, however, our experience in NGO cases that prompted our interest in how political risk management could apply to NGOs, and we hope that our burgeoning understanding will be augmented and refined through discussions that this paper could lead to. To promise a definitive report, best practice paper or current risk assessment would be beyond our modest remit.

Sources were used for this paper but mainly as cross-checks on emerging ideas, and important sources that readers might consult are listed in the appendix on further reading. But again this paper is not research-based, rather it is an extrapolation of what we know about political risk to a domain in which such insight might be important.

The paper proceeds as follows. First, before getting into political risk in detail, how it relates to enterprise risk management is a necessary prelude, since many NGOs are considering such systems and there remains considerable confusion about how political risk fits into them. We then proceed with political risks to international NGOs, looking first at the global organisational level, and then at country operations. The elements of political risk management follow, before some final considerations in the concluding section.

Political Risk and Enterprise Risk Management

Prior to focusing on political risk, an important preliminary question is how it might fit with Enterprise Risk Management (ERM), or organisation-wide risk management systems. This question continues to confound even experienced international companies, since risk management in conventional and current terms can seem like an ill-suited approach to managing the complex relationship with a socio-political environment, yet at the same time ERM would be incomplete without a consideration of political risk. This section briefly explains ERM as a concept and process, how political risk might be interpreted within this framework, and then an alternative way in which political risk has been addressed both prior to and irrespective of any particular risk management system. This section might seem like a sidestep, but any organisation considering or using a risk management system would immediately come up against the same conceptual problem as many companies – if we had an ERM system, would this not account for political risk management, and if not then how would the two relate?

NGOs are increasingly aware of the concept of risk management, which took hold in the business domain after accounting scandals in 2001 and then became more widespread, as Enterprise (organisation-wide) Risk Management, after the financial crisis of 2008. Under increasing regulatory pressure to consider potential downsides in risk-taking decisions, risk management became a widely recognised function in the financial sector in particular, and has been increasingly adopted by other sectors. Beyond its basic function of reducing loss and harm, ERM has now become something of a management fad, with more ardent proponents promoting the notion of "upside risk" (i.e. potential opportunity) and even positing ERM as a mode of strategy formulation. While this hype might not be warranted, it has increased ERM's profile in the marketplace of management tools and ideas.

NGOs have trailed business in the adoption of ERM, but in recent years there has been increasing interest in the concept and now many larger NGOs have ERM systems or similar equivalents. This has partly been a response to donor concerns about the resilience of their NGO beneficiaries, and partly driven by proactive interest in new management methods as NGOs continue to professionalise as organisations, and not just as international operators with specialist expertise.

In very concise terms, ERM is the process of identifying critical assets and processes across the organisation, then identifying and assessing the risks to the these, and planning mitigation initiatives which are then implemented by appropriate "risk owners" and tracked and revised for effectiveness. The risk registry, a key ERM deliverable, is a "live" document that captures and tracks risks and risk management activities. ERM also involves setting risk appetite, or the level of loss or harm that an organisation is willing to risk as it pursues its mission, but that aspect, while worth exploring, is not directly relevant to the discussion here.

Humanitarian Outcomes, in conjunction with InterAction, has produced guidance materials for NGO risk management, and the *NGO Risk Management* handbook (see humanitarianoutcomes.org) lists several categories of risk, including security, safety, operational (which includes financial), fiduciary, legal / compliance, reputational, and information. The handbook explains these labels, but what they have in common is that they indicate assets that could be exposed to risk. These help with risk identification: "What could affect this asset?" This categorisation is a useful starting point in risk assessment, because it links back any answer to something inherent to the endurance and effectiveness of the organisation, in other words, to things that really matter to it.

The above are useful asset categories, but when seeking answers to "what could affect this asset?", it helps to refer to categories derived from sources of risk (risk *from* X source *to* Y asset). If we ask, "what could affect reputation?" for example, we might generate categories

such as misconduct risk, social media risk, and corruption risk (corruption is also a risk to legal and fiduciary standing – there are overlaps between categories but this is not problematic since they are mainly a hypothesis generation scheme). Asset and risk-source categories are matched to identify specific risk factors that then feed into risk articulation, and thence into the risk assessment and management process.

Political risk is a category defining a source of risk, the source being socio-political dynamics in the relevant operating environment (global, country, locality) and interactions with socio-political actors, not just governments but also groups who could mobilise public and political opinion and activity for or against the organisation. In the context of ERM, political risk would be one of the risk source categories which would be scanned for relevance to the different asset categories. For example:

- Asset category: Security – security of personnel
    - Risk source categories to scan for specific security risks:
        - Criminal risk...
        - Political risk
            - Terrorism
            - Armed conflict
            - Violent protest
            - State security repression...
- Asset category: Operational – operational continuity
    - Supply chain / logistics infrastructure risk
    - Fund transfer risk
    - Political risk
        - Government permit delays
        - Government audit delays
        - Regulatory changes affecting local NGO partnerships...

Political risk is a very broad category, but nonetheless in an ERM context would be a useful screen to generate risk hypotheses. Each asset category could indeed be affected by certain types of socio-political dynamics and relationships, and one could envision a political risk checklist for each type of asset. In generating risk hypotheses and in risk identification, then, consideration of political risk can indeed contribute to a wider ERM process.

A challenge that companies have had, and which NGOs using ERM or similar systems are likely to face, is the fragmented understanding of the socio-political landscape that results from parsing political risk into different asset categories, and the piecemeal and "paint by

numbers" political risk management that can result from a strictly ERM approach. Most manifested political risks that organisations have faced are not discrete one-off problems, rather manifestations of tightly interlinked socio-political interests and trends. Not having a holistic picture of this nuanced environment makes it difficult not only to identify and assess risks, but to develop coherent strategic approaches to address them, often by adjusting the relationship of the organisation to its environment. Indeed, political risk, as a concept coming long before ERM, was perhaps inappropriately named in a time when "risk" was more of a common sense label than a technical and operational object or measure. While a risk management approach to political risk is better than none that all, political risk management in practice might be more appropriately conceptualised as managing the relationship between the organisation and its socio-political environment.

This is indeed a general model of how experienced international companies have approached political risk, both before ERM came along, and even now. Leaving aside strategy and geopolitical risk (political risk that derives from global trends), how experienced international players handle political risk in establishing a direct presence in a new country suffices to yield a non-ERM perspective on political risk management.

A risk management approach is often used in specific areas, in particular by risk-oriented functions such as Security or Business Continuity. But on a broader level, country managers often develop an in-depth understanding of the relationship between two ecosystems, one being their project or operation, itself an entity consisting of certain resources, activities, locations and organisational identity, and the other being the socio-political ecosystem within which the project is situated. The tightest links and dependencies between these two systems warrant priority consideration when developing a strategy for managing the relationship.

This strategy is developed as a holistic, nuanced approach, and then parsed out as coordinated programmes and initiatives that, at the lowest tier of the logic tree, integrate with day-to-day operations. What these are depends on the situation, but in general they often cover compliance, integrity, social responsibility, media relations, labour and partner relations, corporate diplomacy, security, contract assurance, and in some cases hedging or risk transfer. Each programme has both a risk mitigation component to address relevant challenges inherent in the environment, and a stakeholder engagement component to liaise and communicate with relevant socio-political actors. Risk and stakeholder components are tightly linked, since risk management approaches can affect stakeholder perception, and effective stakeholder engagement helps to reduce risk. The resulting coordination committee or task force might also address health and safety and sustainability issues, but political risk by whatever label is a significant focus.

The extent to which the above approach is explicit varies. Some companies apply an explicit framework to projects in what they regard as more challenging environments, while taking a more tacit or adaptive approach in less volatile situations. Other organisations rely on the experience and judgement of seasoned senior managers, who will take responsibility for ensuring that the host culture and socio-political landscape is well understood and at least tacitly factored into local relationship-building and operational decisions. Few companies with experience on the ground in developing countries will have no approach to political risk whatsoever, and these quickly learn to adopt one.

The relationship-centric perspective has evolved from common sense and accrued international knowhow, and variations of this have been in use since well before ERM was ever defined. It continues to be a more realistic and practical way to address political risk than parsing it out within a wider risk registry. ERM can certainly account for political risk, and risk management tools and frameworks are useful in specific political risk management sub-initiatives, but ERM is less than ideal as the main approach to political risk.

This dilemma of relating political risk and ERM is generally resolved by ensuring that country management translates their assessments and plans into the language of risk for inclusion in the risk registry, while still premising their on-the-ground approach on a more holistic relationship-oriented perspective. Whether or not this is unnecessary redundancy is arguable, and perhaps ERM is a useful way to ensure that risks are indeed considered, and such prodding would indeed be necessary in organisations that have a culture of focusing on technical execution over considerations of environmental factors.

Suffice to say by way of concluding this section, political risk management has not easily slid into the ERM rubric, and trying to cram it in might lead to suboptimal approaches. The socio-political environment seldom presents one-off issues that can be addressed as discrete problems, rather it is an interconnected entity which often needs to be considered in its entirety in order to inform effective organisational navigation. As the paper proceeds, this important distinction between ERM and political risk management can help form some of the interpretive background. We will return to considerations on organising political risk management towards the end of the paper.

Political Risk and NGOs

This section suggests several ways in which an NGO can be affected by socio-political dynamics and actors, both at the global organisational level and in specific country programmes or operations. There is a wide range of international NGOs and some subsectors more routinely operate in very high-risk country environments or in activities which could incur a backlash from repressive governments. When we discuss challenges here, we will mainly be using socio-economic development NGOs, accustomed to complex but non-conflict environments, as the baseline subject, though with reference to humanitarian aid in sections on security-related issues. This scan of relevant issues will be general and is not intended to be comprehensive, as it is unfeasible to be specific without reference to a particular context, but hopefully readers can extrapolate to challenges that they can identify with in their own experiences.

Global Organisational Level

NGOs manifest their expertise on the ground in beneficiary societies, but behind this is the NGO organisation, with a headquarters, administration, human resources, fundraising activities, intelligence and planning functions, and strategy formulation and strategic leadership that directs geographic and thematic programming, itself likely led by regional or thematic directors. The organisation is, in a sense, the engine of the wider apparatus, without which the NGO would only temporarily persist as disparate overseas programmes that would end once they ran their course or ran out of funds.

While what happens in specific countries where the NGO is operating has an effect on the wider organisation, we leave that linkage aside for now and focus on the wider entity, and with this focus the relevant socio-political domains are home (HQ) country and the global socio-political environment as it relates to the NGO's mission and activities. There is some overlap between these domains since the home country and government is influenced by global trends and international relationships.

Home Country

For most international NGOs, who are based in established democracies, the official licence to operate at home is more or less assured barring dramatic changes in political character, for example the rise of a populist government which then entrenches itself as a de facto autocracy and strips away civil society organisation rights. For now, in spite of the rise of nationalist and nativist tendencies, this remains a remote prospect for NGOs based in Europe or other developed regions.

What is more relevant is the attitude of the home country government to development aid. Government development agencies and foreign ministries are often significant funders of international NGOs, and the fortunes and focus of government international development efforts can have a significant impact on NGO finances depending on the NGO's funding mix. International development aid can shift with foreign policy, newly elected governments with different attitudes to international engagement, and national economic priorities. As we have seen most starkly in the US with the Trump administration, national political attitudes to development aid can abruptly change, and if an NGO's mission and geographic focus become misaligned to new government priorities, it could suffer funding shocks if it had been heavily dependent on donor agency cooperation.

Many NGOs are well aware of the **pitfalls of dependence on national donors**, not just in terms of budget impacts but also in terms of being perceived as instruments or pawns of a foreign policy that might put national security or economic advantages ahead of global engagement. When there is political recognition of the merits of international development for progress on global issues and mutual prosperity, working with national donor agencies can be alluring, but the trade-off is increased dependence on agencies that are indeed subject to policy and attitude swings. Managing this trade off and diversifying funding sources is critical to an NGO's longterm independence and to not being tied too closely to national political agendas, the latter potentially having significant effects on how an NGO is perceived in beneficiary societies, and by private and institutional donors with no political agenda.

Changes in home government attitudes and priorities are often partly a reflection **of national social attitudes and shifts in values**. The recent accentuation of conservative nationalist sentiment in the US and EU seems to challenge social acceptance of apolitical support to foreign societies and instead favours prioritising national agendas. This could challenge NGO private funding and support from their home country or region, which is often a significant source of NGO funds.

Ironically perhaps, corporate and institutional funding is less affected by swings in nationalist attitude, since multinationals and large international funds are well ensconced across multiple jurisdictions and at the forefront of globalisation. NGOs must remain aware, however, that like governments, companies are not inherently "nice" and their donations are subject to their own specific agendas. Sustainability and global corporate citizenship as a means to garner market and social acceptability (itself a political risk management approach for companies) reduce in importance when these seem less valued in society at large (which includes corporate markets and shareholders), and donations to NGOs could in turn be affected. Economic uncertainty as a result of political or policy instability also affects corporate generosity.

Changes in societal attitudes can challenge not just private funding, but also an **NGO's acceptance in its HQ country**. NGOs whose missions become unpopular with some segments of society, however unreasonable the bases for unpopularity might seem from the NGO's perspective, can receive more negative media and social media attention including becoming the target of fake news and misinformation campaigns. This could especially affect NGOs with notable activities in countries perceived as "hostile" to the national interest, or with a mission perceived as antithetical to nationalist values. NGOs might need to consider how best to address niche but vociferous hostile narratives in the interests of maintaining their image with mainstream society. For all NGOs, it is imperative that they provide no additional ammunition to detractors through lapses in good conduct, and these of course also hurt an NGO's credibility with social segments that would otherwise be aligned to the values underlying an NGO's mission.

Finally, changes **in home country immigration and labour laws**, sometimes coming about from governments catering to nationalist sentiment, are relevant to an NGO's capability to attract and retain the most capable staff for HQ positions. The UK's recent Brexit contortions and revisions to immigration policy, for example, could present significant challenges to UK-based NGOs in hiring from the EU and in attracting affordable talent from further abroad.

Global

Nationalist Populism and Fake News

Nationalistic attitudes which hinder acceptance of an international NGO at home are often local manifestations of a wider wariness of globalisation. While observers and analysts are still debating the reasons for the rise of harder line nationalism in recent years, a common theme seems to be that globalisation has led to a backlash by people concerned about the watering down of national identity and sovereignty, and exposure to global cultural homogenisation, and in developed and transitional countries this has combined with the social effects of austerity measures following the global 2008 crisis to increase scepticism about the merits of global integration.

An articulated manifestation of this scepticism is the rise of nationalist populist politics, once niche and regarded as extremist by the liberal mainstream, now a force that threatens to undo much multilateral collaboration. A more general manifestation has been a decrease in public trust in the institutions that seem responsible for global integration, including liberal democratic governments, corporations, transnational organisations, the media, and international NGOs. For NGOs, a handful of high profile misconduct cases in recent years, combined with sceptical criticism of more professional (more "aggressive") marketing

campaigns, have been additional factors. The Edelman Trust Barometer, an annual global survey of public trust in different types of institutions, saw NGOs, which historically usually had greater trust than business, fall to being on par with business from 2016.

One potential effect of lower trust could be more difficulty in fund-raising, as discussed earlier. While an NGO's home country might be a major source of donations, larger NGOs tend to garner funds from their home regions and even the "West" more generally. Thus far lower trust does not seem to have had an impact on public donations, the most important funding source for most NGOs, but donations could be affected in the medium-term future should scepticism persist or increase. NGOs are seldom openly champions of globalisation, but their international remit and transnational composition makes their public acceptance at least partly tied to public perceptions of globalisation, and unlike misconduct risk, this is well outside of an NGO's control.

More importantly in the short-term, lower public trust in turn increases public vulnerability to fake news generated by nationalist populist movements, which tend to regard international NGOs as in the same league as the UN – part of a globalist effort to weaken national sovereignty and identity. Fake news and trumped up criticism can affect NGOs in their home terrain, but campaigns can also be coordinated at an international level. Nationalist (overlapping with "alt-right") movements have already shared expertise and resources in the pursuit of influence and often coordinate their critiques against mainstream liberal politics seen as pushing a globalist agenda, and indeed authoritarian regimes, most notably Russia's, sometimes assist Western nationalist movements in the hope of weakening the cohesion of democratic rivals. NGOs, as symbols of international cooperation and also as a source of credibility to their home democratic societies, are likely targets. Fake news at the global level has not yet had a noticeable effect on mainstream attitudes to NGOs, but fake news enabled by social media, and the upsurge of nationalist populism in Western states, are relatively recent phenomena, and it remains to be seen if public support remains resilient as these phenomena persist.

At a glance, fake news sounds like a nuisance but all legitimate organisations rely to some degree on public trust, which can erode under a regular negative barrage. Fake news can also have more immediate consequences, when more extreme or ardent ideologues use it to justify attacks on symbols targeted by fake news purveyors. And for NGOs, fake news at a global level could potentially affect attitudes among beneficiary governments and societies, making it more difficult to operate where an NGO's expertise is most required.

There are a wide range of critiques about NGOs that are not directly ideological in origin. For example, some informed observers argue that international NGOs are replacing local initiative

in beneficiary societies and creating dependence on foreign support. Another is that NGOs actually exercise considerable power in developing societies because of their control over scarce resources, and this is problematic given that NGOs are private organisations without accountability commensurate to their influence. Some criticism is justified some of the time, but it is important to note that while reasoned criticism can actually be beneficial in helping NGOs to identify improvement opportunities, there can be a fine line between concerned criticism and hyped denigration driven by an ideological agenda, and a challenge for NGOs is making the distinction in order to formulate appropriate responses.

International Conflict and Rivalries

Like multinational corporations, who are often caught in the middle of trade disputes and sanctions regimes, international NGOs are increasingly finding themselves subject to political imperatives in international conflicts and rivalries. As noted earlier, home government donor agencies adjust their priorities in line with foreign and security policy, and NGOs relying on home government funding can be subject to the same imperatives.

More relevant to the global level, however, is the effect of international efforts to control or thwart a perceived threat, and the constraints that alliance partners place on other actors to help carry out these efforts. In the current context, international responses to Islamist terrorism have led to a range of **constraints on NGOs' freedom of manoeuvre in beneficiary societies affected by Islamist insurgency** (which goes beyond just the Middle East). Especially in conflict or conflict-prone environments, NGOs have sometimes taken a pragmatic approach to whom they need to deal with in order to get support to those who need it, and most actors who have any local control or access to needy communities are armed factions of one type or another. On the ground, black and white moral critiques often become ambiguous and NGOs do their best to balance the necessary evil of dealing with armed factions against the benefits to those they seek to assist. International coalition concern about aiding, abetting or legitimising groups with any linkage to Islamists puts severe limitations on whom NGOs can engage with in a range of current conflict environments. This includes not just "gatekeepers" among armed factions, but also local partner NGOs who might be capable and trusted locally but whose Islamic principles can easily be regarded as Islamist by anti-terrorist coalitions.

Most Western governments as well as allies in other regions present stiff penalties to organisations who do not abide by laws and coalition rules of engagement, and NGOs can seldom afford to buck the rules. Instead, NGOs expend considerable time and resources on learning exactly where coalition red lines are, and in fine-tuning the tenuous balance between pragmatism and compliance in order to continue to fulfil the mission.

NGOs are also affected by **sanctions and embargoes** that go hand in hand with international conflict and rivalry. Western sanctions against "rogue regimes" or conflict actors can make it difficult to operate in targeted countries, often developing countries with considerable need for NGO assistance. Even if an NGO can establish a human presence, sanctions can make it difficult to import necessary supplies, including the NGO's own operational assets, food aid and equipment for social infrastructure projects. Again, the challenge for NGOs is not just ineffectiveness through lack of access, but also the time and resources expended seeking and justifying exemptions. Both counter-terrorism laws and sanctions create a significant layer of bureaucracy that can be a strain and distraction for NGOs, with the cloud of non-compliance and penalisation hanging over efforts to continue to work even when the regulatory constraints become daunting.

A corollary point to sanctions and embargoes is that many international NGOs are actually from countries whose governments are responsible for imposing these measures, often as a blunt instrument whose full consequences for affected societies have not been fully assessed. This can put NGOs in a difficult position, because however "non-governmental" they are, there is likely to be some association between the NGO and its home country government. This can lead to distrust among the very communities whom NGOs are seeking to assist, who could regard an NGO's efforts as a "sticking plaster" after the NGO's home government has swung a cudgel.

More issues can be derived from international rivalries and tensions, and the above is only snapshot of the current context. International NGOs will always be affected by global political dynamics, as states, coalitions, and transnational "threat actors" vie for their own upper hand as a priority, and in more intense rivalries often with scant regard to the rights and positive effects of non-state and non-political international actors. The context might change, but this has been a consistent challenge, and one which NGOs share with the other main non-governmental international actors, companies, who have long regarded global political dynamics as a major risk factor.

Country Operations

The global organisation is affected by socio-political dynamics, some of which, as illustrated, can present serious challenges. However, although an NGO's operation in a specific beneficiary society might only be a small part of the overall organisation, country operations often face more direct and acute socio-political challenges. This section explores some of the issues that can affect an NGO's operation, focusing on the context of a country experiencing a moderate degree of political instability, latent or low-level conflict or insurgency, weak

governance, and social tensions arising from a lack of national cohesion or inclusiveness. This brief characterisation describes many developing and transitional countries, and is intended to broadly define a "moderate volatility" bracket between more stable institutionalised polities and failed / failing states and conflict zones. Again, we will assume a rough median in terms of risk inherent to the NGO's type of activity, and use a socio-economic development NGO as the rough baseline. The section on security providers and armed "gatekeepers" diverges from this to include humanitarian operations in conflict / post-conflict environments.

One can keep the ecosystem analogy in mind when reading this section. We have not defined a specific NGO operation, but in practice there would be one, and the immediate ecosystem would be the operation and the local and national socio-political actors that the NGO relies upon, affects, and in turn which affect the NGO. The country socio-political environment, in which there would be several key trends and dynamics, is the context of the immediate ecosystem, although it too is influenced by other countries and by global trends. Because of the primacy of socio-political relationships in operational resilience, these are addressed first, and country level dynamics, often more remote from day-to-day operations, come after.

The actors and dynamics discussed herein are general, since this is in the absence of a specific organisation or operation. Some consideration is given to how an NGO can respond to challenges, but in practice it is hard to define detailed political risk management approaches before knowing one's exposures and the environment in question.

The NGO: Symbolic Associations and (mis-) Perception

This might seem like an intangible way to start a discussion of political risks, but for any foreign organisation working within a different cultural environment, how they appear to their host society is an important factor in how national and local actors respond, even in the absence of specific activities. An NGO's symbolic associations and organisational identity are not an external actor or dynamic, and hence not a direct source of risk, but this persona can be a factor in setting at least the initial tone of the relationship with the host environment.

Many international NGOs come from relatively wealthy, influential Western liberal democracies, whose governments often cooperate on foreign and security policy issues, and several of which have a historical legacy of imperial rule in developing regions. There is some public and government perception in developing regions that despite its progressive rhetoric, the "West" still looks out for its own interests and sees itself as having a right to intervene in other countries if they appear to pose a challenge. International NGOs can easily be regarded as a cog in this pursuit, carrying the **baggage of Western ideals and seen as at least indirectly aligned to Western interests**. At least initially, before an NGO establishes a local

track record for intercultural knowhow and impartiality, this can lead to a level of distrust that impedes effective relationship-building.

International NGOs from transitional countries can face the same challenge. Turkish NGOs, for example, are active from Africa to South Asia. Since the AKP's more explicit (Sunni) Islamist orientation and pursuit of influence in the Muslim world, Turkish NGOs have had to contend with a degree of initial suspicion about their role vis a vis the government's foreign policy ambitions, especially in the context of a very centralised or personalised style of governance that increases scepticism that major Turkish NGOs can really be autonomous from the state. Similarly, Chinese NGOs, with extensive operations in Africa and Southeast Asia, are often directly funded by the state or state enterprises and are closely linked to China's strategy of forging ties in resource-rich regions. This can lead to considerable suspicion of the real intentions behind Chinese NGO activities.

National and political associations, however, can work both ways. Western NGOs, based in democracies where they are less beholden to government approval, can be regarded as relatively apolitical. NGOs from transitional countries, such as Turkey or China, can be regarded as more in tune with long-term and pragmatic development needs because they have direct experience of development challenges in their own home countries. Suffice to say that NGOs need to be aware of their potential political or ideological associations, and factor this into engagement approaches to minimise resulting mistrust. There is more to say on this theme, but we leave this for the section on government attitudes, where more nuanced aspects are considered.

More specific to the particular NGO, **the values underpinning its mission can affect public perception in host communities**. Faith-based NGOs carry some religious symbolism, and depending on where they are working, this could lead to some suspicion that missionary or proselytizing activity is part of the NGO's agenda. Democratic and secular values, often at the heart of a humanist interpretation of an NGO's role, conversely, might seem safely mainstream, but in more religious societies could negatively position the NGO as atheistic or disdainful of local tradition. An NGO will always have underpinning values, and it is hard to escape the fact that these derive from a specific worldview that is seldom universal, however beneficial the mission itself.

Finally, many international NGOs, especially larger ones based in developed countries, will usually **appear to be very wealthy by local standards in a developing country**. Foreign companies do too, but in their case, as engines of profit, there is no incongruence even if there can be local resentment. NGOs often come to a country to help disadvantaged communities, yet can appear ostentatiously wealthy even compared to local middle and upper classes. This

can result in a perception that the NGO is actually remote from beneficiary communities who by comparison are in dire straits. More immediately, the wealth gap can make the NGO and the resources it controls seem like a potentially lucrative target for criminal, fraud and extortion activities. The stereotype of new four wheel drives and luxury accommodation might be unfounded in most cases (or more applicable to donor agency operations), but NGOs need to be aware that their relative wealth can be a factor in perception, and a potential source of wariness, resentment, or predatory interest.

Government Attitudes and Responses

Governments in transitional and developing countries are often somewhat wary of foreign NGOs if only because, however inadvertently, they can expose beneficiary communities to foreign attitudes and values that might misalign with the government narrative. Wariness is often tempered by a recognition of the tangible benefits of an NGO's operation. Sometimes, however, government attitudes can harden, with consequent difficulties and even hazards for NGOs and their local staff and partners. This section outlines some of the reasons for government mistrust or hostility, and some of the resulting challenges.

One point of NGO-government friction can occur at the local level, when an NGO proceeds with a project which steps into the remit of the local government. NGOs often proceed on their own, forging the necessary community ties and partnerships but using their own management and supplies, in the interests of pace and expediency. One argument for this is that local governments, especially in less developed countries, are a drag on project efficiency because of a lack of management resources, and in some cases NGOs prefer not to be associated with any state apparatus that could be perceived as corrupt or repressive. The lack of coordination, however, sometimes results in parallel programmes addressing similar needs, each with its own demands for the participation of beneficiary communities. More seriously, it can lead to local government distrust of the NGO, whom they regard as intruding on their own responsibilities. Local governments can also see an NGO's project as suggesting that the local administration is not up to the job. Resentment can be especially acute when donor funding mainly goes through foreign NGOs and bypasses local government.

The result can be an atmosphere of non-cooperation and competition, and when this is acute local governments can become openly critical of NGO "intrusion", and obstructive when the NGO does need local government support or permissions. This can be an immediate operational impediment, and in the long run a local government will still be there long after the NGO has left, and if they are not brought into a programme or at least coordinated with, then the sustainability of the project's results becomes questionable.

A similar point of friction with governments is about responses to humanitarian crises, particularly following natural disasters. **In past and recent crises, governments have sometimes been overwhelmed by the apparent scramble of international NGOs to get involved in relief and recovery**. This influx can make it hard for governments to coordinate relief and recovery efforts, and it can sideline experienced local NGOs who would be well positioned to make a difference because of their experience with the types of disasters the country is prone to, and their local cultural and social knowhow. International NGOs are well funded compared to local counterparts and are often better placed to respond quickly. But the sidelining of local expertise can lead to resentment and missed opportunities for grassroots responses. An influx of foreign NGOs can also actually impede local NGO responses, as they get bypassed in coordination and planning. A number of international NGOs have responded to this concern, for example through the Charter 4 Change which commits signatories to greater local partner inclusion in humanitarian responses.

Governments in disaster-prone countries are increasingly limiting NGO access unless they have a local partner on board or a long-term local presence. It can be hard to separate government concern about foreign NGO influx and displacement of local expertise from concerns about NGO political effects (see later), but in some cases it is clear that government responses are about the lack of local coordination and ownership that comes from inundation by foreign NGOs. In the aftermath of the September 2018 Sulawesi earthquake, for example, the Indonesian government ordered the departure of foreign NGOs that did not already have local registration, claiming that Indonesian NGOs and government agencies were well experienced in this type of disaster and better able to coordinate with fewer cooks in the kitchen. Their decision was based in part on the aftermath of the 2004 tsunami, in which uncoordinated and hasty recovery programmes led to considerable waste and also a weakening of Indonesian NGOs as staff were hired away by the numerous foreign organisations.

International NGOs need to follow their mission, but doing so as part of a scramble or uncoordinated foreign influx can lead to often legitimate charges of displacing local capacity, and governments concerned both with demonstrating national resilience and with long-term disaster relief capacity-building are increasingly likely to take action to limit foreign NGO activities. A proactive approach to local partnerships, local presence, and understanding the context of existing national capacity can help to smooth access, and establish a better fit with national and local initiatives.

A third and more challenging host country government attitude to international NGOs derives from three aforementioned conditions: the global trend in nationalist political agendas; perceptions of international NGOs as aligned to Western foreign and security policy interests;

and international rivalries, in particular those involving tensions between Western countries and states in developing and transitional regions. **The attitude which derives from this intersection is that international NGOs challenge national sovereignty, and more specifically government control**, and hence their presence and activities need to be constrained.

In recent years there has been a wave of new legal and administrative constraints on NGO activity, and while the geographic spread of these constraints seems to have peaked, controls in many countries continue to intensify. International criticism of limits on civil society organisations and NGOs has become far more muted, since now even established democracies are facing nationalist pressures and are less engaged on global rights, and China and other transitional powers are increasingly influential and have no particular interest in emboldening civil society's capacity for mobilisation.

The general concern about the political effects of NGOs, both international and local, is that NGOs address socio-economic issues in part by mobilising communities towards common objectives, and helping to build cooperative capabilities to address local challenges. This organisation-building aspect of NGOs' work is worrisome to governments whose legitimacy is not firmly established, and this indeed refers to much of the world. Civil society mobilisation skills and networks could, they worry, be turned from politically neutral social problems to coordinated challenges against the government. Indeed the Arab Spring was an early impetus to limit NGO and civil society space.

International NGOs from Western countries (or "the North") can be particularly problematic from the government perspective. They assist local NGOs and other civil society organisations in mobilisation and coordination capacity-building, and notions of rights-based development have linked even apolitical socio-economic programming to potential criticisms of heavy-handed governance and injustice. International NGOs have been increasingly subjected to laws requiring the registration and auditing of foreign organisations, and their local partners have been subjected to more intense official scrutiny, and even harassment and outright dissolution.

International tensions have also led to suspicions, or at least claims, that foreign NGOs are agents of Western states, and even a cover for intelligence activities aimed at subverting government control. Pakistan, for example, actually had a concrete concern about NGOs as an intelligence cover after the CIA used a false NGO cover to put surveillance on Bin Laden in 2011, but since then Pakistan has used this one case to justify a widespread crackdown. This apparent concern exists to varying degrees in many countries who have been criticised by, or in rivalries with, Western governments. While the CIA's use of NGO cover in Pakistan

indicates the possibility of some intelligence manipulation of NGOs, for the most part the case against NGOs as foreign agents seems aimed more at curtailing civil society capacity-building than hostile subversion. Portraying international NGOs as foreign agents, often via fake news in official media, has helped governments to gain at least some domestic acceptance of this notion, and such fake news is also levelled at an international audience.

There are several implications of government suspicion and hostility for international NGOs. They can be subjected to complex registration and audit processes, and lack of compliance can lead to harassment or outright expulsion. They are compelled to walk an ever fine line between their legitimacy and independence, regulatory compliance, and country access. Local partners in particular can be subjected to harassment, detention and closure. Finally, hostile state media campaigns can have effects beyond just the regime's own political base in one country, adding to the global fake news challenge. How to address this challenge would vary by the NGO's sector, mission and home country affiliations. Maintaining a low profile alongside effective but very non-political socio-economic programmes might be fine for a while, but there could be a point at which the NGO's legitimacy and independence could erode too much by trying to avoid official scrutiny. There is no single or easy answer, but understanding host government attitudes and the motives or concerns behind them is an essential step towards formulating responses.

Local Acceptance Challenges

Acceptance is an approach to NGO security (minimise friction to reduce risk of harm, see later), but it also generally means that the NGO is trusted, its presence and activities are broadly desired, and the local community, beneficiaries and otherwise, grant the NGO its "social license to operate", or unofficial community permission to be there and carry out the intended project. **Without acceptance, friction can arise**, leading to a lack of local cooperation, beneficiary rejection of the intended programme, bad publicity that affects the NGO's reputation in the country, and potentially government or regulator scrutiny. In security terms, a lack of acceptance does indeed increase the risk of harm, by raising the risk of violent protest against the NGO and reducing community-based constraints on predatory behaviour and groups.

Just by defining and implementing tangibly beneficial and sustainable programmes, international NGOs go some way towards gaining trust and acceptance. **Programmes that are badly conceived in the context of pressing needs, or which seem to have transient effects, can position the NGO as a reluctant and ineffective development partner**. For example, infrastructure projects that over-rely on complicated technology, or which would require subsequent regular maintenance that is not built into original planning, can lead to scepticism.

Similarly, projects that focus on higher order needs, such as cultural preservation or Internet access, can seem misplaced in the context of extreme poverty and lack of basic education. Conversely, programmes that fit the developmental context and which provide a bridge between immediate needs and later development are easier for beneficiaries to understand and appreciate.

International NGOs can also inadvertently tread on cultural and traditional sensitivities. Failing to acknowledge the role of traditional authorities, for example, can lead to perceived insult. NGOs from Western cultures, with a modern humanist and sometimes utilitarian outlook, might even feel as though traditional authorities are an impediment to positive change and intentionally bypass them. In many developing and even more traditional transitional societies, however, this can easily lead to friction with informal community leaders who retain considerable local influence. A lack of consultation and local adaptation of programme design for local sensitivities can also hurt trust and acceptance, as does an overreliance on foreign personnel and lack of inclusion of beneficiaries in the problem-solving process. In some cases, the NGO's very mission can be culturally sensitive. For example, birth control and gender rights / gender inclusion might be beneficial from an objective point of view, but in patriarchal societies these can be seen as threats to tradition. If not preceded by consultation and patient efforts to articulate the benefits, such programmes can incur unintended hostility.

A more serious challenge can arise in the context of local rivalries, perhaps deriving from ethnic, clan, tribal or sectarian divisions. When an NGO is perceived to be helping one side in a rivalry, the other side usually sees this not just as insulting but also as a threat because their rivals are gaining some kind of edge. If not anticipated or diplomatically addressed, this can lead to outright hostility from the rival group, whose responses can range from official complaints to obstruction. In the context of a local or sub-national insurgency, aggrieved rivals might even attempt to enlist insurgent support to reinforce their response.

As the above indicates, just by doing well in its core role, an NGO can attain a level of beneficiary acceptance. But this section also suggests that host community acceptance is not just about direct beneficiaries. An international NGO needs to understand local cultural sensitivities and the layout or map of local interests and affiliations in order to gain wider acceptance in the host community. In many developing countries, the presence of a foreign organisation of any kind is likely to attract considerable attention. Managing local fit and expectations beyond the project itself will be essential to wider community acceptance, and having a local partner who knows the social landscape can be a great help in this respect (though there are potential pitfalls with local partners, as discussed below).

Local Partner Conduct

The author once undertook a consulting project for an international NGO specialising in sustainable fisheries resources, and in the course of discussions with client personnel, an issue that came to light from one country office was that local partners seemed to be using the status and resources that came from the relationship to augment the influence of powerful interests in the area of operation. The local partner was apparently closely affiliated with a leading family, who helped establish the local NGO both as philanthropy, and as a means to extend family influence by controlling access to development project resources and benefits. This began to hurt the international NGO's local acceptance, and the country manager was in a quandary over how to end the relationship without incurring a backlash from the powerful family, who had ties to the media and local authorities.

Local partners and staff can be vital to an international NGO, for local contextualisation of programme plans, understanding relevant social networks, and in helping to gain acceptance through awareness of cultural sensitivities and culturally appropriate communication with local stakeholders. Since they will remain in the area after the international NGO has left, they also help to ensure that programme benefits are sustainable. But as the above example indicates, in a context of weak institutionalisation and governance, and where traditional bonds can be tighter than institutional ones, **local partners can be problematic if they are too deeply embedded within, or bound to, specific local interests and agendas**.

Weakly governed or compromised local partners can be prone to using control over project resources to gain patronage influence for their own local networks, and also prone to fraud, embezzlement and corruption (see next section). They might also be compromised by local security officials or militias, and use their role in the host community to report on rivals or opponents. At the very least, local partners affiliated with particular power interests can lead to local distrust and lack of acceptance. At the worst, it can lead to reputational backlash and liability, and call into question programme viability.

Local partner selection criteria will emphasise positive traits, such as capability and access, but international NGOs need to ensure that due diligence is part of the selection process. Due diligence would look for illicit affiliations or activities, but importantly also the local NGO's backers and social linkages. Even if there is no direct evidence of past illegality, a local NGO too close to specific power interests, or controlled by a social group that is in contention with others for local influence, could represent a potential liability. This problem is closely linked to the challenge of nepotism pressure discussed in the next section.

Corruption and Nepotism

As noted above, NGOs often operate in environments where notions of organisational governance, and indeed official governance, are quite weak, and this can lead to incentives and opportunities to use an NGO's presence as means of illicit gain. Corruption and related issues are a broad and complex subject, but for purposes here we will briefly examine two aspects of the challenge: Official and other power-holder pressure on the NGO, and potential misconduct from the NGO's own staff and local partners.

Governments and official agencies often have control over NGO permits and audits, and NGOs can heavily rely on visas and customs permits to bring in staff and supplies. Even state utilities, such as power and telecoms access, can be essential to running a country office. **Control over these needs gives official actors leverage to press for bribes**, which could be positioned as facilitation payments, or suggested by middlemen "agents" acting on officials' behalf. If an NGO refuses to pay, it could face delays to key permits and services, and indeed even access to the country. Corruption pressure is very common in much of the world, though intensity varies from mildly suggestive that a bribe can help, to making a bribe as necessary as any formal application.

Caving into official corruption pressure carries serious risks. It sets costly precedents in the relationship, it risks disclosure and scandal, and it gives corrupt officials an advantage in future negotiations with the NGO. Corrupt officials in weakly governed states might not face much, or any, trouble if their behaviour were disclosed, while they know that for an international NGO, a bribery case would be far more serious. Paying also gives corrupt officials the opportunity to add more pressure later on, by building from the NGO's engagement in bribery to threaten corruption charges if the NGO refuses to continue to play the game.

NGOs can also be pressured to pay bribes to "gate keepers" (see later), in other words security forces or armed groups who control access to beneficiary communities. This is more common in humanitarian relief in conflict environments, but even socio-economic development NGOs can face pressure to buy off armed actors to smooth over logistical problems and reduce day to day security hassles. While in some humanitarian crises this might be a necessary evil, in less dire circumstances payments or favours of this kind would qualify as corruption, and carries similar risks to official corruption. Armed groups or security forces might not keep a paper trail and there could be less chance of later blackmail, but once they become accustomed to bribes they can bring immediate coercive power to bear to try to keep the game rolling. Bribery sets up a dangerous precedent.

NGOs can also face **pressure, or proffered incentives such as quicker permits, to hire particular people, and take on specific partners**, without selecting on the basis of fair and open assessment. This is **nepotism**, and pressure to engage in it often comes from government officials trying to find lucrative or influential positions for relatives or members of a traditional or political patronage network. Nepotism can leave less of a paper trail than corruption, but it too has serious consequences. In many developing country environments, where informal power structures are well known, it would likely be painfully apparent whom nepotistic hires were, and this would result in severe workplace tensions.

Second, any person or organisation which the NGO takes on because of nepotism pressure likely has a conflict of interest, and the NGO is being pressured to take them on in the first place because it is to someone else's advantage. This puts the NGO at risk of having close and well known ties to an organisation of dubious local legitimacy, and the wider community is likely to regard the NGO's selection as unfair and as evidence that the NGO is favouring certain local interests over others.

Nepotism hires and partnerships also have a security aspect, because un-vetted relationships with access to the NGO's funds, assets, and personnel details might well have been planned in order to help facilitate theft or embezzlement, or even to provide the inside eyes to help organise a kidnapping or other type of extortion. Indeed, local staff and partners with access to the full set of NGO assets and information could even use the NGO as a front for criminal activities, for example using NGO vehicles for smuggling, or taking "fees" in exchange for access to the NGO's services, with dire consequences for local trust and legal standing.

Finally, we come to **corruption and related illicit activities within an international NGO**. Even without nepotism, local staff in traditional societies might feel beholden to, or pressured to support, their traditional networks and divert NGO assets and resources to these networks. Expat staff are not exempt either. Recent sexual misconduct cases among some well established NGOs and the UN have in part high-lighted how expats could shed moral inhibitions when working in environments where there are scant constraints on their behaviour, and this applies to corruption. NGOs, like any other organisation, face the risk of illicit activities even in their HQs, but when overseas this risk is compounded by the weak governance standards in the host environment, and the fast pace of many NGO programmes can seem to leave little time for thorough internal control, thereby adding to opportunity in the criminal equation. The implications include reputational damage not just in the country but with the NGO's wider set of stakeholders, and potentially criminal charges at home and in the country of operation.

In the author's experience with international companies, a common question is "How do we avoid corruption or doing favours if we're going to operate here? It seems like you have to pay someone or you can't do anything." One answer for companies is to stay away if intense corruption pressure is inevitable, but that seldom works for international NGOs whose missions are often in weakly governed environments. Another answer to companies, when they have more time to establish a presence instead of chasing a near-term project, is to clearly define its red lines and ensure that these are well known, and then to patiently make the case that its presence is beneficial to many stakeholders and if corruption pressure keeps it from doing its job then it is a lost legitimate opportunity for everyone. This could work well for NGOs too, and helps in setting expectations and reducing hassle over time. But it is only one half of the equation. NGOs also need clear internal policies and controls which include a deterrent element in terms of investigative and disciplinary capacity, as well as contextualised anti-corruption training and whistle-blowing procedures. Resetting expectations with would-be bribe seekers is one half of the equation. Controlling and reducing illicit tendencies within the organisation is the other.

Vested Interests and Networked Opposition

Beneficial changes for a wider community sometimes **affects groups with a strong interest in maintaining the status quo, and vested interests can use their networks and influence to resist change**. Hence, when an international NGO is involved in local change, they can become the target of networked opposition. For example, in one case which the author is familiar with, an international NGO was running a campaign to help boost ecotourism in a deprived community where tourism was becoming the only prospect for the future livelihoods of most residents. Ecotourism required environmental preservation, and in pressing this aspect of the campaign, the NGO came up against powerful local interests with a lucrative hand in illegal logging and animal trafficking. These groups were linked by family and business ties to local politicians and media owners, and the wider network began a counter-campaign against the NGO. Media connections were used to portray the NGO as cynical, intrusive and as having its own business interests in ecotourism, and local politicians lobbied regulators to increase scrutiny of the NGO. The NGO persisted, but the programme was far less smooth than anticipated.

A more serious example can be drawn from a well known political risk case, which, although involving an international company, still has a similar structure to the above example and from which relevant insights can be extrapolated. This involved a US-based power company, AES, who went to Georgia in 1998, taking over the electricity grid with a mandate to modernise it and make it self-sufficient in terms of payment for power.

When AES arrived the grid was in disarray and most people got periodic power by hooking up lines to dilapidated transformers down the street. This was dangerous, and it overloaded the grid, leading to frequent blackouts. AES managed to implement its grid modernisation, but when it came to taking control over pricing and billing, it faced a rebellion on several fronts. It turned out that the old system of linking into transformers had actually been controlled by local mafias, who resisted the loss of revenue. Powerful clan interests in government and business were also now charged for the full amount of power they used in their businesses, homes and offices, and saw their power costs soar. Media assets were put to use in denigrating AES and its local partners as foreign exploiters, and clan and mafia groups used their networks to organise violent protests, in addition to committing acts of vandalism and sabotage. The next step was threats to company personnel, and indeed the senior manager of AES' Georgian partner was murdered. In 2003 AES sold its operation at a loss to a Russian company who, as it turns out, had had its eye on this opportunity for quite some time, and their role in coordinating the opposition remains an open question.

NGOs are often experienced in dealing with the positive side of social networks, which are useful in communicating with wider communities, and in mobilising programme support and participation. Networked opposition is not harmful either if it derives from legitimate concerns and the NGO is able to engage to resolve issues, and can be a useful signal for when NGO gets its socio-economic analysis wrong. What can blindside a foreign organisation is intense, unscrupulous opposition that seems to come from several sides and which seems, at first, to be disconnected to the real activities of the organisation, or at least severely misrepresenting them. Dig a bit deeper, and it can become clear that the NGO (or company) has stepped on the toes of certain interests who had a comfortable racket, and vested interests have mobilised patronage ties and other links to coordinate a response. Some opposition to any change is normal, but when it derives from illegitimate, tenacious power interests, it can be severely disruptive and even dangerous.

A significant challenge in facing networked opposition is in discerning whether its roots are the result of misunderstandings and legitimate concerns, or if they derive from narrow power interests that have benefited from a corrupt or unfair system. The responses to either type would be very different. Another challenge is in discerning the root actors or hubs in a coordinated response. As in the Georgia case above, for a while it seemed to AES that ordinary citizens spontaneously rebelled against routine billing. When this started to look dubious, even knowing that something else was going on, it was hard to actually discern who was behind it, and therefore how to prepare a response. By the time AES had a clear idea, they were on the back foot and their media response had already been undermined by persistent fake news.

NGOs are not always in the position of disruptors of established interests and networks, but sometimes in pursuing benefits for ordinary people, they will find themselves up against an entrenched status quo. Stakeholder analysis and contingency planning should explore the possibility of networked opposition by power interests, so that as baseline at least, the NGO knows what it could be facing, and plan engagement, communications, and even deterrence strategies appropriately. The means by which one defends against coordinated hostility vary by the case, but the means of learning what might happen as a basis for planning rests in stakeholder intelligence that goes beyond programme engagement and also looks at the potential for the mobilisation of opposite, networked reactions. In short, one should ask, "If we succeeded, who would be hurt, and how might they respond?"

Hostile and Predatory Threats

This section concerns **actors who would perceive a benefit from harming the international NGO**. It ties in with the with the symbolic persona of an NGO, including ideological associations and relative wealth perception. It also links with the third aspect of government attitudes, which looked at wariness of NGOs as harbingers of political mobilisation, and with the section above about networked opposition which could extend to violent responses. How an NGO could be hurt just by being exposed to ongoing violent unrest in the vicinity is considered later in the section on effects of wider socio-political dynamics. This section instead looks at targeted threats.

NGOs often represent values and ideologies even if they do not think they do. A "Western" NGO working where there is an Islamist insurgency, for example, can represent Western ideologies and perceived anti-Muslim attitudes even if the NGO strives to be apolitical. An international NGO working in Central Asia or western China might be perceived by the government as a symbol of Western ideological intrusion. Any regime concerned about its legitimacy can see foreign NGOs as potential agents of civic mobilisation which could have political application.

These, and probably more, interpretations, can make an NGO the subject of **political hostility** and harmful intentions. NGO personnel can be attacked by insurgents, and ideological targeting can combine with economic predatory interest leading to kidnappings. When seen as a threat or intrusion by host country governments, NGO staff can experience official hassle that can border on harm. Local staff and local partner staff are even more exposed to official hassles and the risk of detention, because they lack the same international and donor backing that many international NGOs have, and cannot simply have their visas revoked or be deported.

While NGOs are not especially lucrative targets, they could still represent considerable wealth to **criminal groups and opportunistic predators**, who could undertake targeted robberies and extortion. In cases of networked opposition, influential groups affected by socio-economic changes can use clan or traditional ties to criminal or insurgent networks to threaten the NGO with violence.

There are, then, a variety of reasons why an NGO could inspire hostile or predatory intent, and a number of ways in which threat actors might respond.

Personnel security was nearly synonymous with NGO risk management planning until recently when wider risk management systems began to take hold. It rightfully remains the preeminent risk management focus because in large part an NGO's personnel are its main assets and its duty of care obligation is substantial. It also has at least a moral obligation to the staff of partners who come on board at the NGO's behest.

In mainstream NGO security concepts, security of personnel is handled in four ways. Acceptance relies on the tolerance and respect of the host community, who then have no motive to cause harm and also apply social pressure to inhibit potential threat actors. Reducing exposure, via hibernation (staying out of sight and secure), relocation and evacuation are means to deal with violent unrest or armed conflict in the NGO's vicinity. Protection is mainly about reducing unwanted access to an NGO's premises and assets, and is often aimed at opportunistic, as opposed to targeted, behaviour. Finally, deterrence means making the price of an attack on the NGO unacceptable to the attacker, and includes armed security. Acceptance and deterrence are the main approaches to dealing with targeted threats.

Acceptance has been the preferred NGO approach to reducing the risk of targeted threats. Acceptance not only reduces incentives within the community to harm the NGO, but social pressures can be a "soft" deterrent against potential threats who might have to face traditional authorities and loss of social status if they abrogate agreed community rules. In most cases acceptance is preferable to harder security because it does not risk incurring distrust or making the NGO appear hostile or unfriendly. There can be issues with acceptance as an approach when it relies too heavily on links to one faction of a community (see the end of the next section), but if well managed it can significantly contribute to security with less potential for unintended consequences than harder measures.

Acceptance is not always enough though. While it can be extended to include or at least influence local government actors, it tends to be more relevant to the immediate community environment, and national governments will seldom feel any direct social pressure to refrain from acting against a specific NGO. Second, particularly in the context of conflict, extreme

ideologues or warlord-type armed groups might not be deterred by local social convention. Leaving aside hibernation, which is a temporary measure, departure, whether in an organised withdrawal or by evacuation, is the sensible course when there are acute direct threats and the NGO feels that it is not absolutely necessary to remain in the country. **If one does choose to remain in the face of acute direct threats, then deterrence is necessary.**

Although deterrence usually refers to armed force, in the case of government hostility and potential retribution, **deterrence could be built in part on gaining the support of major international donors** with influence with the host country. Influential donors can apply political and economic deterrence, via specific potential sanctions or retributions, to control anti-NGO government behaviour. Even when this is feasible, however, it is still a delicate choice for an NGO, because it implies reliance on the deterring actor, usually an element of a foreign government or transnational political organisation, and this can degrade the NGO's image of impartiality. For most NGOs, relying on donor deterrence would be a step too far from their apolitical remit. For humanitarian relief in conflict-affected communities, it might be an acceptable or even essential trade-off.

For deterring non-government threats, such as insurgents, terrorists, or criminal groups, armed security is the main option. As noted earlier, few development NGOs welcome long-term or routine armed security. Short-term or periodic armed security, for example during extended road transit where car-jacking is a serious risk, is a normal measure in more challenging environments and less controversial. For humanitarian relief NGOs operating in conflict environments, routine armed security might be essential. While this paper generally uses less risk-taking NGO sectors, such as socio-economic development, as its baseline, the next section explores the issues around armed security actors, as well as "gatekeepers", or armed groups who control access to beneficiaries. These questions are more relevant to humanitarian crisis operations, but other sectors can still extrapolate considerations that might apply in their own contexts.

Security and "Gatekeeper" Conduct

This section first considers armed security that an organisation might rely on for protection and in particular deterrence, then turns to potential issues with gatekeepers, before finishing with a brief but important caveat on acceptance as a security approach.

A well known business political risk case helps to introduce challenges that can arise in the relationship with armed security protection. A Canadian oil company, Talisman Energy, entered Sudan in 1998, operating a field in an area of the south heavily affected by the civil war. Public and institutional shareholder concern about the regime's use of oil revenues to

fund the war became a serious crisis for Talisman when it came to light that the government forces protecting its operation were also using company property to stage air raids against nearby villages. Talisman faced a reputational disaster that included a shareholder rebellion and drawn out court cases by North American rights groups. Talisman left Sudan only five years into what was supposed to be a long-term operation, and never fully shed its association with the Sudan scandal.

Another case is also instructive. The author once consulted to a company which was undertaking management reform of Georgia's national power company, shortly after AES' departure (see earlier). The firm needed routine security, since at the time there were still lingering issues from the initial fiasco over vested interests in the power sector, and senior management deemed Georgia to have a high risk of organised criminal predation. It took on a private security company recommended by the energy ministry. That the company was formed of ex-secret police personnel was not in itself worrying, but it became apparent that the outfit retained considerable contact with the security services, and was also well enmeshed with various shadowy clan interests. It seemed to be very possessive of its relationship to the foreign firm, who experienced subtle threats when it tried to cancel the contract and seek another provider. And indeed by that point, the security company knew much about the foreign firm, and its threats, while subtle, were indeed credible. Its motives were unclear, but somehow profiting from the foreign firm's presence or manipulating it to maintain illicit clan influence in the power sector seemed to be plausible, and neither was acceptable to the foreign management team.

Both cases above illustrate the root of many potential problems with armed security: conflicts of interest. When a security provider has a significant remit beyond just providing security for the organisation, then the NGO becomes subservient to this other remit and can even be manipulated to help achieve it. In a weak or fragile state environment, most potential local providers of armed security, i.e. those with the guns, will either be directly linked to / part of an armed group or faction including government forces, or ex-group but retaining strong linkages to active political or criminal entities. Even when there are seemingly independent private security companies locally available, it is often the case that government licensing favours companies strongly linked to the state or to patronage networks of the relevant authorities.

Using an armed security provider that has some conflict of interest is not necessarily going to lead to problems. For example, a state or faction-linked provider might only be tasked by its network to casually keep an eye on what the NGO is doing, and otherwise fulfils its security mission with reasonable commitment. A private security company in a post-conflict country

might indeed be an honest attempt to start a legitimate business activity even if it is hard to move beyond old interest networks. The degree of conflict of interest can vary, and in less acute cases it can be manageable with committed oversight and ongoing trust-building.

Problems arise, as the earlier cases suggest, when a security provider's other remit and interests are far more important than the security mission. A gendarme or police unit might be assigned to protect an NGO, for example, but as has happened with companies using such protection, the security detail might focus more on local enforcement duties than on the NGO's security (an extreme illustration of this is the 2013 In Amenas gas plant attack in Algeria, which was partly so lethal because the army, who was the security backstop, was slow to respond and when it did its priority was killing insurgents with little regard for collateral damage). Worse still, while assigned to protect the NGO, the security unit might still enact routine repression against perceived enemies of the state, and it might even use its NGO security mission as a pretext or cover for such activities. The same problems can arise when using non-state armed groups, as some humanitarian crisis operations have done for temporary periods in conflict zones, and this issue could arise in using private companies with strong security force links.

The NGO itself, as the second of the above cases illustrates, might be the object of the conflict of interest. A security provider with state or factional links might see the NGO as a potential source of influence because of the resources it controls, and seek to manipulate resource distribution to shore up patronage networks or strengthen their preferred community in a context of rivalry. More parochially, a security provider might be interested in gaining access to the NGO's own wealth and resources, and in poorer developing countries even state security units might find NGO security provision alluring for this reason.

One can add to the above considerations deriving from conflicts of interest, the potential for ill-disciplined and unprofessional security providers accidentally or negligently causing harm while working for the NGO, for example through accidental shootings.

There are several serious implications from the above problems. Conflicts of interest deprive an NGO of committed and reliable security provision. They can also lead to human rights abuses or injustices within the host community when security providers use their mission for the NGO as pretext or cover for repression or factional advantage. This can lead to a perception that the NGO is somehow collusive or taking sides, severely undermining its acceptance, credibility, and reputation. When the NGO itself is the target of security provider interests, it is exposed to interests which have a full understanding of, and indeed some control over, its vulnerabilities.

The risks in security provider relationships widely vary between socio-political contexts, and short of immediate humanitarian crises, NGOs have an opportunity to assess what the main issues could be in the intended area prior to entry. Once these are known, prospective providers should be as carefully vetted as local partners. Additionally, as in the business domain with the Voluntary Principles on Security and Human Rights (VPSHR), NGOs should communicate ethical and human rights performance criteria, ensure that providers are aware of and trained in the application of relevant principles and approaches, and monitor compliance, taking the provider to task or replacing them for any breaches. In humanitarian crises, when this level of scrutiny and monitoring might not at first be feasible, there can still be the best possible adherence to an existing ethical security policy, and any initial emergency set-up should only be interim until an optimal security provider can be enlisted. In the end, security requirements cannot be met by relying on what amounts to an armed faction or gang, and if that is the only potential resource available then desisting from the operation is the sensible course of action. We examine alternatives to local security providers later in this section.

Challenges in gatekeeper relationships can be just as serious. Working with armed groups who control access to beneficiaries, or to logistical routes, has been a necessary aspect of humanitarian responses in conflict areas for decades, and one of the most controversial. It can risk legitimising armed groups who have notorious human rights records aside from allowing some aid to flow. Armed groups can tax aid operations to allow access, diverting supplies to their own forces or factions, and in so doing prolong their ability to fight while potentially depriving desperate intended aid recipients. Too close a relationship with an armed faction can give the perception that the NGO is colluding in the conflict, favouring one side to others' detriment, with repercussions for acceptance and reputation. Finally, working with gatekeepers is often dangerous, as there can be few limitations on their coercive or predatory tendencies after years of conflict and in an environment in which ordinary ethics and standards of governance have become obscured.

Dealing with gatekeepers is a sensitive and nuanced subject and we can only provide some common sense suggestions here, which should be backed up or tested by deeper investigation. While there is sometimes little choice in whom one deals with in a conflict environment, when there is a choice it should be investigated to discern the least bad option, in terms of trustworthiness, respect for human rights and respect within the host and beneficiary community. Another consideration is purely pragmatic – does the group have access and how long might it endure? Relationships should be well defined and expectations clearly set and managed, with the NGO making a strong statement about its political neutrality and interest purely in reducing immediate humanitarian suffering. An NGO's security provider, if trustworthy, can help in liaising with gatekeepers, but if not, or if they could be comprised in

part by a rival faction, then they should be excluded from interactions in order to reduce the chance of a confrontation. As with security providers, if dealing with gatekeepers could actually be making things worse, or is reduced to a regular dangerous gamble, then departure is the reasonable course of action.

For most NGOs in the socio-economic development space, such questions are probably irrelevant since environments where this could be necessary are beyond risk tolerance. For humanitarian NGOs with expertise in conflict relief, these questions are relevant and the issues and approaches need to be carefully assessed, not just in each situation, but as ongoing learning so that approaches to armed groups can be proactively formulated on the basis of evolving good practice.

In dealing with security provision and armed groups, international NGOs should consider the options to **share the issue with other trusted organisations**. In post-conflict or conflict environments, there are likely to be national and transnational donor agencies working on the ground, and they would have their own security provision and architecture in place. An NGO could seek to share this security umbrella, or at least coordinate on risk monitoring, crisis and evacuation planning. Another possibility could be tight security coordination with other NGOs. In Afghanistan and other conflict environments, NGOs have formed networks which coordinate security initiatives and together provide higher overall security capability, and while this might not replace reliance on a security provider or the need to deal with gatekeepers, it could draw on others' experience to learn the safest options, and several pairs of eyes are better than one.

Another option that NGOs have increasingly considered is the use of **private international security consultants, including private military companies** (PMC). "PMC" tends to emphasise the armed security aspect, but there a variety of advisory and support services short of armed protection. Indeed, PMCs being armed in the first place is usually up to the controlling political interest, for example a donor government or coalition involved in post-conflict reconstruction or peace-building (sometimes host governments also license foreign security firms to carry arms). In some cases an international security company could offer armed protection, but short of that and even alongside it, within a wider advisory remit PMCs often provide liaison and negotiation between their clients and local armed groups including state security forces. Many PMC advisors have "soft" intercultural and consultation skills acquired in conflict zones, and are accustomed to speaking to armed groups in their own terms. An experienced ex-military advisor or team from a well managed international security provider can help an NGO to negotiate the armed actor landscape, in addition to assisting with security and evacuation planning. As with any security provider, an international firm would

need to be vetted for human rights compliance, legitimacy, a low-profile operational mode, and cultural fit with the country in question, and if there is only going to be one person or a small team, then who the individuals are matters.

The above has assumed that security providers and armed groups are necessary evils or things that an NGO has to deal with outside its core remit of humanitarian aid or development. There are conflict resolution and peace-building NGOs whose mission actually involves working with armed groups to promote negotiation and conciliation. This NGO sub-sector is not directly addressed in this paper. There is considerable difference between trying to gain just enough acquiescence from armed groups to do one's job around them, and actually trying to influence their attitudes and behaviour with respect to their raison d'être as an armed political entity.

This section ends with a necessary re-examination of acceptance as a security approach in the context of this section's focus on challenges in security provider and gatekeeper relationships. Acceptance usually assumes that the accepting party is the grassroots host community and legitimate representatives thereof. But different parties on the ground can represent themselves as such, and if an NGO orientates an acceptance approach around the wrong actors, it could actually be helping to reinforce factional dominance, legitimising and in other ways empowering narrow interests at the expense of others in the community.

Again we draw on a business example to help illustrate the issue (as examined in "'Corporate Security Begins in the Community': Mining, the Corporate Social Responsibility Industry, and Environmental Advocacy in Indonesia", by Marina A. Welker, Cornell University, 2009). In this 2002 case, a mining company's corporate social responsibility initiatives focused on gaining local acceptance in the area of operation, but through its own lack of analysis and advocacy and pressure by local elites, it ended up becoming dependent on a narrow, politically conservative elite which saw the company as a means of advancing local development, but via the elite as a controlling conduit. In exchange, this interest group, led by village teachers (employed by the state), helped to provide their view of "security" by harassing potential threats to the company, and on one occasion by physically threatening a meeting of local environmental activists. The company was in effect taken hostage by a faction which made itself indispensible to the company's security, and the faction's actions severely undermined the company's legitimacy with other local stakeholders, and ultimately with influential ethical observers from further afield.

The broader lesson from this is that acceptance as a security approach can itself entail reliance on a violent faction if one is not careful to ascertain who the host community really is. It is not uncommon for local political factions to position themselves as community representatives,

and as noted in the section on local partners, to even create local NGOs to help portray a legitimate image. If acceptance is narrowly focused on a faction, it is very damaging for wider community trust, and it also makes the NGO vulnerable to pressure from the protecting faction. In post-conflict environments in particular, community fragmentation and militarisation could mean that host community acceptance needs to explicitly balance factional interests, rather than assuming that there is actually one "host community" which could be the basis of grassroots acceptance.

Implications of Country Socio-Political Dynamics

There is likely a lot going on in a country that is well beyond the effects or visibility of a particular NGO programme, but these wider dynamics can have implications for an NGO's operational ecosystem and the security of the NGO's personnel. There are a variety of ways to parse out relevant factors and dynamics, and here we select a few broad ones by way of illustration. There are varying degrees of each dynamic, from minor to severe.

Weak official governance, including lack of institutionalisation, low accountability, personalised rule via patronage networks, weak rule of law and low respect for human rights, can create an atmosphere permissive of corruption, nepotism and arbitrary law enforcement, as well as repression. These national characteristics affect the behaviour of local-level officials, and are directly brought to specific locations by representatives of the national government. An NGO's and its local partners' experience of corruption and nepotism pressure, as well as the potential for police or security force hassles, will vary with national official tendencies.

National social tensions and rivalries, for example between ethnic or sectarian groups, can affect attitudes and behaviour at the local level. There can be an extension of national divisions at the local level if the main rival groups are locally present, or local sub-national groups align with specific national rivals based on historical ties or for support in local influence contests. When such divisions are acute, periodic rioting or street violence and sub-national insurgency can manifest and affect the security of NGO and partner staff. When national social rivalries coincide with the split between the regime and other political contenders, they can also exacerbate official repression, and again this can affect local behaviour and increase the risk of hassle by security forces.

Bottom-up political instability, in other words widespread lack of trust in the national government manifesting as organised dissent and street-level pressure for either substantive change or the government's removal, can lead to protests and demonstrations. These can lead to government crackdowns in the form of violent responses and intensified repression, sometimes in turn radicalising dissent. National level instability often plays out on the streets

of the capitol city and major towns, but it can have an effect on state-civil society relations throughout the country, and in their area of operation the NGO could be exposed to periodic violent unrest and a more repressive police presence, with consequent increased risk to personnel. It should be noted that when instability is not just from socio-economic frustration or pressure for reform, but coincides with ethnic or sectarian tensions in which one side controls the government, there is a higher chance that the situation decays into insurgency or other forms of armed conflict.

Instability at regime level occurs when there are different powerful factions within the pinnacle of the national government vying for control. This can occur during power-sharing or coalition governments where different factions represent different sub-national groups, but it is more common as a struggle between patronage networks (often informally known as "clans") in the context of weak institutionalisation and therefore low respect for official authority. Regime-level instability can manifest as policy paralysis and bureaucratic confusion. It also often leads to more intense corruption as clans seek resources to fund their power struggle and to deny the same resources to their rivals. From a security standpoint, it can intensify repression and human rights abuses, since different security organs can be controlled by different clans and used as weapons against each other's networks. This can degrade the human rights situation in the country at large, and lead to higher risk of arbitrary law enforcement and abuses at local levels. Regime instability can also lead to coup attempts, which often result in nation-wide and often indiscriminate security crackdowns and a significant spike in the risk of being arrested or otherwise harmed by security forces.

Often a factor of certain aspects of weak governance and social tensions, **organised criminality** can present serious challenges. While violent crime in general is a security hazard, organised crime is capable of challenging state control at local levels, and its activities include extortion and kidnapping. A worrying overlap occurs **when organised crime groups collude with the government**, providing proxy regime enforcement in exchange for exemption from police and judicial scrutiny. This phenomenon is quite common in many developing and transitional countries, where traditional and patronage networks can cross-cut the official and criminal domains. Official-criminal collusion generally intensifies the risk of harm through arbitrary enforcement, and makes it hard to rely on authorities for help with security issues. Insurgent groups can also apply criminal methods, such has kidnapping and racketeering, as a means of funding, but this is less problematic because such groups are easily identifiable as threat actors.

Armed conflict presents a significant security hazard to anyone exposed to it. It includes not just war, but low-level insurgencies / counter-insurgencies, armed ethnic or sectarian clashes,

and terrorism perpetrated as part of an insurgency or by international groups. In cases of civil war and insurgency, much related activity might be confined to certain parts of the country, but the wider effects often include intensified repression at the national level, spill over of violence to other areas in the form of terrorist attacks and violent protests in major political centres, and security controls that hinder logistics and movement. Armed conflict can also give military and security authorities more political influence, and this can further erode the rule of law and increase repression. In recent coalition wars in the Middle East and Afghanistan, and against Jihadists in Somalia, as examples, bombing has often been inaccurate, and in some cases seemingly targeted against relief efforts in an attempt to hinder insurgent access to assistance, with apparently scant regard to civilian and NGO casualties. Such assessments are contested by involved governments, but the facts on the ground remain and indicate either deliberate targeting, severe negligence, or disinterest in collateral damage, and perhaps a combination of these. War zones are a difficult combination of high need for humanitarian assistance and high risk to aid providers.

Chauvinist national governance, while often linked to weak governance in terms of low institutionalisation and accountability, does not always mean weak government, and regimes deriving support through intense nationalist appeal can often get away with poor developmental performance as long as they sustain an "us and them" sense of tension in their support base. The "them" can be foreign countries, in which case the regime accepts a degree of international friction as a trade off for domestic support. Anti-foreign attitudes can extend to foreign organisations in the country, especially if they are from perceived rival countries or cultures. The "them" can also be social groups outside the support base, and these can bear the brunt of discrimination or derogation, and even selective repression. NGOs working with beneficiaries in outsider groups can face suspicion and hassles. This links with government concern about civil society organisational capacity in a context of low government legitimacy.

The above dynamics are not the full set of national trends and conditions that could affect an NGO's local operating environment or the NGO itself, but hopefully it is sufficiently indicative of the types of relevant factors. It should be noted that **these and other dynamics are often interrelated**. Conflict and instability can manifest from reactions to chauvinist governance, for example. Weak governance contributes to all other dynamics through an inability to respond to change and to meet social expectations. Weak governance itself is often partly a result of immediate pressures from conflict and instability. Organised crime can thrive when political actors are too busy dealing with each other to focus on the rule of law and effective law enforcement. There are linkages between almost all dynamics in a socio-political system.

Behind these immediate, present dynamics, are **background factors which can drive the evolution of a socio-political system**. These include economic growth, social mobility and wealth / income distribution; "relative deprivation" (how different groups perceive socio-economic injustice); historical challenges to national cohesion; regional and international influences that can help or hinder national development and stability; and the effects of and reactions to globalisation, to name a few. In conducting scenario analysis to discern possible future socio-political states, current dynamics are often mapped with background drivers to see how the current situation could evolve over the long-term, and such analyses can be used in planning adaptation and strategic contingencies (see later in the section on intelligence and planning). Major change is not just evolutionary, though, as the Arab Spring made clear. Mapping drivers with current dynamics can indicate a potential for change, but specific triggers which unleash this potential can be hard to foresee. Even so, knowing how prone a country is to major unrest can help inform immediate contingency planning, such as withdrawal or evacuation preparedness.

Summary

As with the global organisational element, in the country section the focus was principally on pitfalls and challenges, as opposed to upside opportunities. While risk theory has recently tried to position potential opportunity as a type of risk, our own sense is that looking for opportunity is already at the core of most organisations' strategic planning. Uncertain or potential political dynamics can indeed lead to opportunities, for example a change in government could lead to an administration that welcomes development assistance and eases restrictions on foreign NGOs. Socio-political intelligence can certainly identify opportunities. But managing potential hazards and challenges is what enables an organisation to persist even when circumstances are less than ideal. Our focus on the potential downsides should not be equated with pessimism, rather it is one half of an organisation's planning equation, the other being opportunity identification and exploitation.

Particularly in the country section, readers can likely see the relative balance between relationships and country dynamics. Conventional political risk assessment has tended to emphasise country dynamics while leaving stakeholder and relationship issues to social impact assessments and corporate social responsibility engagement planning. Especially for NGOs, who often work directly with civil society and other local actors on the ground, separating political risk from relationship challenges results in a fragmented and not very useful picture. Even for companies who know where they are going to be or are already on the ground, relationships are at least as important as country-level dynamics. The exposition of potential issues in country operation relationships makes it clear that looking at political risk

management as managing the relationship between overlapping ecosystems and actors within them has considerable utility. Country dynamics matter, but on their own they are a somewhat abstract consideration. Putting the two views together helps to see a more meaningful picture of how challenges can arise and the options to address them.

In the course of examining potential issues, in some cases we also suggested how they could be managed. Note that in the absence of a specific case and context, this can only be generic, and while general political risk management frameworks and good practice might be broadly applicable to a range of contexts, the specific approaches on the ground will vary considerably between different operations. Political risk management insights in this section are more intended to show that this challenge is addressable and to provide examples and indications, not to suggest what should be done in a specific case.

The link between global / HQ and country level issues is found partly in the aggregate effect of country operational issues on the global organisation. Several country operations encountering significant challenges at the same time can strain overall management resources, hurt global credibility, and depending on the issues can also incur reputational damage and liability. As the Talisman Energy case points out, even one particularly severe country issue can affect the wider organisation. Conversely, global trends and pressures can affect a country operation. The global / HQ section, for example, referred to international tensions, and a host country government at odds with an NGO's home country or region can be particularly wary of the NGO, as can ordinary citizens. Global levels of trust and the tone of politicised media can also affect host country perceptions of a foreign NGO.

Going back to enterprise risk management (ERM), one can likely see how it is possible to extrapolate risks to specific assets at various points throughout the global and country exposition. For example, reputation as an asset accounted for in ERM would be affected by several dynamics, including the global fake news phenomenon, staff conduct, partner conduct, and security provider and gate-keeper relationships. Personnel could be harmed by hostile governments' repressive responses, organised crime, host community antipathy that extends to violence, and exposure to armed violence (many issues derived from socio-political relationships and dynamics affect more than one type of asset). But if one had not undertaken a broader assessment of relationships and dynamics and instead went straight to asking questions about "what could harm this asset?", one would not have a picture or model of how issues could arise and interrelate. ERM can thus be served by more holistic assessments but should not be the framework of assessment, and political risk management planning too needs to go beyond disparate stop gap measures and consider trade-offs and linkages within an interconnected system.

A final noteworthy point is that the outline of country dynamics, which was intended to describe developing and transitional countries, has been increasingly applicable to developed regions where many international NGOs have their HQs. Questions of national cohesion, chauvinist populism, and even instability have been increasingly relevant to "Western" countries since 2016 at least, and in assessing one's HQ country, these types of questions are actually quite pertinent. Developed countries are not exempt from many of the issues that one normally associates with developing ones. While institutionalisation has managed to constrain some "Western" country political eccentricity, the human factor remains, and socio-political responses to change pressures, such as globalisation, can be extreme or divisive anywhere.

NGO Political Risk Management

Most of the earlier explanations of global and country operational issues have indicated some potential risk management approaches. There is little utility in now following up with detailed lists of "dos and don'ts", since specific approaches depend on the organisation and context. Rather, this section high-lights some of the principal considerations in NGO political risk management, in three sections: NGO self-comportment as a way of reducing vulnerability; political risk intelligence and planning; and organising a political risk management capability.

NGO Self-Comportment

Self-comportment in this context means ingrained organisational attitudes and behaviour. There are at least three aspects of self-comportment that can reduce vulnerability to political risk. One is **ensuring ethical performance and limiting misconduct** by staff. Recent headlines over sexual exploitation and harassment scandals in some major international NGOs have hurt the credibility of the organisations affected, made fake news criticism seem more believable, and reduced the "soft power" or moral bargaining position that they often rely on when dealing with wary governments. Misconduct of any kind, from sexual exploitation to minor embezzlement, reduces an NGO's moral authority. Companies worry about misconduct too, but regulatory penalties and share price might be top of mind in their case. For NGOs, that they exist to alleviate hardship makes their own ethical performance critical to their public and even self-image. Internal risk management should thoroughly examine misconduct risk and discern how and why it could manifest. Relevant policies and training need to set clear standards and stress the importance of ethical conduct. Internal controls need to explicitly account for misconduct risk, and include detection, whistle-blowing, and deterrence measures.

By staying clean and true to its own ideals, an NGO can maintain its moral authority, and deny ammunition to hardline critics.

Management culture is related to the above. Hierarchies and functional boundaries help to align organisational execution, but if too rigid then information does not flow, managers can become isolated from perceptions and concerns lower down the organisation, and HQ can become insulated from the direct experience and concerns of staff in the field. The Talisman case cited earlier, for example, saw country staff expressing grave concern to HQ in Canada, which saw the project's problems as minor compared to the benefits to the bottom line, and HQ was too remote to empathise. Similarly, in some of the recent NGO scandals, there were indications that senior management was sheltered from bad news and that staff felt inhibited from raising concerns. A lack of information-sharing and informal collaboration between functions can lead to redundant and sometimes contradictory risk and engagement initiatives, which in a political risk context can mean divergent and confusing messaging to key stakeholders. Management openness and empathy, and acting as trusted partners to staff in problem identification and resolution, is useful at the best of times, but when operating in and across complex socio-political environments, it is indispensible for full organisational awareness, coordinated responses, and staff morale.

Finally, NGOs need some degree of a **risk intelligent culture** to be prepared for socio-political challenges. Organisations can become trapped in a model, or story, of their own raison d'être. For companies, their model is that it is entirely natural to be a legitimate profit-seeking entity and the main things that matter are customers and competitors. For NGOs, it is the legitimacy and value of their mission and the NGO as the expert conduit between donors and beneficiaries. Positive thinking, oft touted as capable of driving exceptional performance, can blind an organisation to forces, attitudes, and hazards that are indifferent to its self-concept and embedded assumptions.

Especially when operating in and across volatile environments, positivity and optimism need to be tempered by a sense of looking under the surface for patterns that could indicate emerging problems, and for possible intersections of hazardous dynamics and the organisation. People should go beyond their technical and functional remits and learn about socio-political dynamics in their environments, and learn to play with "what if" scenarios as a thought exercise. HQ should have a solid concept of the types of environments where it would not be comfortable operating, and the kinds of issues or dynamics that would represent "show stoppers" in deciding what projects to take on or when to leave a country. They should proactively learn concerns and risk insights from across the organisation. While policy and process are different from culture, risk intelligent personnel would understand policy and

process relevant to keeping the organisation and its staff safe, and think about how they can contribute. Setting the tone for a risk intelligent culture starts at the top, but informal collaboration, discussion fora and cross-functional working groups can help to instil risk awareness and acuity in the broader organisation.

Intelligence and Planning

This examines the process by which an NGO informs itself of relevant socio-political actors and dynamics, and then translates this into activity aimed at reducing hazard and increasing resilience. Intelligence actually refers to a process, from targeting what to learn about, gathering information, analysing raw information to get useful indications, and then packaging this as a planning input. The intelligence process continues past planning inputs, though. Priority factors and actors are monitored for changes, and as the relevant environment and the organisation's concerns evolve, intelligence targets are revised. Planning uses intelligence outputs to make smart decisions, design appropriate risk management and engagement initiatives, and design contingencies to be enacted on the basis of significant potential changes.

Intelligence

Political risk intelligence focuses on three broad questions:

- What socio-political groups and actors touch / are touched by our organisation, how significant are we to them, what are their attitudes towards us, and how might they respond to us?
- What socio-political dynamics in this environment are relevant to our organisation, how could we be exposed to them, and how could they affect us?
- How could this environment shift over time, what are the medium to longer-term scenarios and how could they affect our organisation?

(Note that while we address the global level, explanations herein are mainly drawn from the country operational context, since it is more tangible for illustrative purposes, although it is possible to extrapolate to the global level in particular when considering initiatives around specific time-sensitive issues.)

At the global organisational level, the answers to the three questions will often be somewhat abstract, since an NGO is not usually a major international player with direct relations to global political influencers, and the global level is also an abstraction, or aggregation, of the NGO's various international operations. There will be some specific actors and dynamics that directly affect an NGO, for example emerging international coalition regulations on NGO partnerships and financing in specific regional conflicts, and changes in donor government

priorities. For the most part, though, global intelligence is about broad trends and social attitudes. In political risk management planning, this level of insight might not indicate specific time-sensitive actions, but it would guide the tone and channels of an NGO's public and media relations, transnational and donor government lobbying / response to consultations, and baseline global security and ethical assurance policies.

At the country operation level, these questions are more concrete, since a specific operation is in direct contact with its immediate socio-political environment. Operational intelligence is usually more specific and nuanced, and insights can indicate concrete actions to reduce risk and increase project resilience and viability. For example, if intelligence indicated a rivalry between two ethnic groups in the beneficiary community, then this would need to be taken into account in community relations and programme design. Country level intelligence also indicates potential scenarios, but unlike at the global level, these would be linked to specific indicators which would trigger concrete contingencies, such as a staged evacuation preparations or preparing a contingent engagement approach to new political leadership prior to an election period.

The socio-political intelligence process is cyclical and runs concurrent to the organisation's global or country operations, and barring significant changes in the relevant socio-political environment, intelligence targets are often reassessed and adjusted in line with the regular planning cycle. However, ongoing monitoring of priority factors and stakeholders can identify significant changes that warrant specific tactical assessments to enable appropriate adjustment of risk and engagement planning. Thus there can be sub-intelligence exercises within the main cyclical process, and these sub-exercises feed into the main process as spikes of intensive monitoring.

A thorough explanation of the intelligence process would be quite detailed and require a separate paper (there are some relevant web papers on www.harmattan-risk.com). Here we briefly examine each of the three main elements in the wider process.

The aim of **stakeholder intelligence**, especially at the more nuanced country operation level, is to understand which specific groups and actors the NGO will need to engage with, the risks they could present, and how the NGO could engage to maximise relationship-building and minimise risk. A critical step in stakeholder analysis is mapping networks of shared stakeholder interests and cross-influences in order to understand the broader implications of dealing with a specific actor, and how they could activate networks for additional influence when dealing with the NGO. Assessing stakeholder attitude and influence, the latter taking into account a stakeholder's network linkages, yields priority actors. These would warrant more detailed research on factors that would affect engagement planning, such as access and

protocol. A common shortcoming in mainstream stakeholder analysis models is that only positive relationships are considered. Hostile, predatory, wary, and suspicious attitudes are very important to understanding the full range of stakeholder responses. These indicate stakeholder risks, which include potential harmful responses as well as potential deterioration of what could be mutually beneficial relationships.

Intelligence on socio-political dynamics yields insights on risks that arise from the organisation's exposure to harmful trends and conditions, and on wider socio-political influences on stakeholder behaviour. Again the country level provides a more concrete illustration. One can start with exposed assets, including personnel and reputation, as well as key assumptions about project performance, and then ask what dynamics could affect these. This exercise can be wedded to a scan of historically relevant factors, such as weak governance and instability, to yield relevant risk factors, which are then tested against exposures to derive *potential* harmful situations. These are in a sense mini-scenarios of how the organisation could be affected by a given factor, and in risk parlance they are known as articulated risks. How plausible each potential risk situation is, along with how damaging it would be if it arose, broadly indicate relative importance, but also opportunities to prevent or avoid the situation (reduce plausibility), and limit the damage if it occurred.

Insights on key dynamics in the country can be fed back to the stakeholder assessment, to better understand the wider context of stakeholder attitudes and behaviour, and indeed for this reason it can be useful to do the country dynamics assessment first to provide a backdrop to stakeholder research. Relationships tend to be of more immediate importance than broader dynamics, but relationships are subject to pressures from the wider context.

There are ongoing discussions in the risk management community about how to prioritise risks, or how much detail is feasible in a prioritisation. We will not indulge in that nuanced discussion here, but readers should investigate the options and beware that some mainstream frameworks can be deceptively neat and tidy. Any prioritisation needs to be tempered and adjusted by a holistic view of the socio-political system and linkages between factors, an understanding of uncertainty, one's own unique concerns and limitations, and common sense. A simple "likelihood-impact" matrix, for example, might be digestible, but it seldom tells the full story.

Finally, the objective of **scenario analysis** is to understand how the socio-political situation in the country and by extension operating environment could change in the medium to long-term future. Again we look at the country level for illustration. Current socio-political dynamics and risk factors will themselves be subject to broader underlying factors mentioned earlier, such as demographics, economic trends, longstanding social schisms, and the effects of regional and

international trends and globalisation. These drivers can be mapped with current dynamics to sketch a system of evolution, in which the effects of changes in the most volatile or uncertain factors can be assessed for effects on the overall system, similar to a sensitivity analysis. This might yield several alternative future states, and one can then assess the implications of each for the NGO's presence and operation. More volatile or dangerous scenarios would form the basis of strategic contingency planning. Importantly, indicators and warnings are derived to enable monitoring for the emergence of high-risk scenarios, and hence early preparation.

It is no secret that much change is unexpected and sometimes much more sudden than models seem to assume. Scenario analysis should consider "wild cards" and potential crises in addition to evolutionary change. While in retrospect scenarios seldom accurately predict specific major changes, they remain a useful means of exploring the range of potential future states and identifying critical uncertainties about a country's evolution. This enables an organisation to escape its own assumptions about its operating environment, and to remain appropriately agile in adapting to change.

These three steps in a wider intelligence process provide insight on who matters and how to engage, risks inherent in stakeholder attitudes and in the socio-political terrain, and how the situation could change over time. A specific tactical requirement might focus on only one of these, but together they provide a holistic view of the relevant socio-political dynamics and how they could affect the organisation. Much more can be said about intelligence analytical frameworks, models, and interpretive or cognitive bias, but the most basic ingredients to good intelligence are asking the right questions, getting relevant and robust information, logical and critical thinking in interpretation, and packaging insights so that they can be readily used in planning specific engagement and mitigation initiatives.

The intelligence process needs to be explicit, or as with many ad hoc or tacit processes it tends to be left undone or done late. But the degree of formality can vary depending on the organisation's exposure to volatile environments, and its size and complexity. Larger and more complex organisations have higher needs, but also more resources to handle a nuanced intelligence process. Smaller NGOs might find the same nuance in process to be onerous, and instead might rely more on workshops that integrate different informed perspectives. There is no "one size fits all", but any process needs to ensure that managers and planners have reasonable confidence in their awareness of potential issues.

Planning

Intelligence informs political risk management planning, which has three main elements:

- Engaging with stakeholders and managing stakeholder risks
- Managing risks inherent in the socio-political environment
- Developing contingency plans for long-term or systemic change in the socio-political environment, or a severe spike in volatility

There are a variety of planning models that can help to organise political risk management initiatives. The focus here is on how to do so in a way that minimises silos of disparate activity and addresses political risk in a holistic and coherent way. This question is pertinent because a risk registry, or risk by risk, approach can lead to an unwieldy set of initiatives, and to overlap and working at cross purposes. What follows sets out a notion of holistic political risk management programmes interlinked for coordination and integrated in a shared strategy.

Leaving aside long-term contingency planning for now, one approach to planning is to start by aggregating risks and stakeholders into manageable sets, based on how closely they are linked, common drivers and effects, and the advantages of addressing them from a single vantage point. Thus for example we might have a personnel security programme that integrates risks from violent unrest and organised crime, and closely related stakeholders including a local mafia group, the police, and the selected security provider.

Similarly, we could integrate risks from official corruption and opaque and onerous regulations with key bureaucratic stakeholders, for a programme designed to address integrity and compliance, which works both on the NGO's side as anti-corruption measures, and in relations with relevant government agencies whereby the NGO communicates its red lines on bribery and also seeks clarification and consistency in the application of relevant regulations and permit processes.

As a final example, we might integrate the risks from local social schisms and factionalism, negative media and public critique of foreign NGOs, and local and national suspicion of the presence of Western or foreign organisations, with related stakeholders including the host community, national NGOs who monitor foreign aid and development, local partners, and the media. These factors and actors would be relevant to a programme aimed at building and maintaining local acceptance.

This logic could proceed to form several political risk management programmes. Note, however, that even with the three examples there is cross-over and necessary linkage. For example, security provider behaviour and the NGO's security positioning send a strong

message to the host community, and is a factor in acceptance, and vice versa, acceptance reduces security risk. Similarly, again just for example, anti-corruption and compliance help to sustain credibility which in turn helps to maintain acceptance. Thus each programme needs to be coordinated, with shared information and alignment so that each supports the others connected to it.

This blank page or bottom up approach, assuming no prior template for political risk management programming, can yield highly contextualised plans, but one can also rely on what has worked in the past in terms of relevant programmes. In many developing and transitional country circumstances, there is often a default set of programmes that one can work from as a baseline, and while there are variations the following is indicative, and applies to both overseas and home terrain:

- Security
- Partner, staff and supplier relations
- Local acceptance
- Media and public relations
- Anti-corruption, internal control, and compliance
- Government relations – national and local
- Foreign relations – donors, other foreign NGOs, foreign peacekeeping...

Each of these can incorporate the risks and stakeholders most relevant to the programme's functional parameters. In practice, it can be difficult to develop programmes from the bottom up and relying on past templates helps to streamline programme design, but over-relying on *a priori* frameworks could potentially miss important foci and the same template will not apply in every context. Taking a suitable template and then testing it against a bottom up reading of which risks and stakeholders form logical groupings can lead to a contextualised adjustment of tried and tested frameworks. Again, any programming framework would need to ensure information-sharing and coordination, since each element has strong linkages to others.

Each programme would have a leader. In large companies, it can be easy to find the appropriate person because there is so much functional specialisation. With NGOs, programme leaders might need to be selected, or self-selected, on the basis of experience and personal learning relevant to the programme. For example, in one case the author worked on, the NGO security coordinator was not a "security person", rather he was experienced in more strenuous environments, had taken several courses in NGO security throughout his career, and had a strong personal interest in the subject. Likewise, the HIV safety coordinator had built up

relevant expertise over time through working in high HIV-risk environments and periodic short trainings.

One way to help ensure that there is cross-learning and coordination between programmes is cross-membership of programme leaders. For example, the security team leader would also be a member in the host community acceptance team, bringing their experience to bear while also learning how security planning needed to be shaped to support acceptance approaches. Another means would be a political risk committee or task force consisting of programme heads, constituting an explicit joint planning and information-sharing mechanism, led and coordinated in most cases by the country manager.

The above is mainly about country operations. At the global organisational level, for larger NGOs it is more likely that there will be consistent and ongoing departmental or functional activity aimed at global political risk management. But at this level too there could be a need for explicit programme design that cross-cuts different functional remits and manifests as joint task forces or other semi-permanent coordination mechanisms. For example, fake news and social media risk linked to hard right populist movements could necessitate long-term coordination between campaign and fundraising and public / media relations. Similarly, following heightened concerns about misconduct risk, human resources and internal control or its equivalent could coordinate on a combined conduct assurance initiative. Senior NGO management and public / government relations could coordinate on donor government lobbying or consultations concerning emerging constraints on NGO activity in certain regional conflict zones.

Three initiatives that cross-cut all specific programmes include crisis planning, strategic contingency planning and intelligence monitoring. **Crisis planning** is mainly about how to prepare for harmful situations that actually manifest, as opposed to avoidance and prevention, and the emphasis is on damage limitation and recovery. It applies to risks such as a kidnapping or staff detention, violent attack, or a sudden spike in violent unrest in the operating area, as well as to severe reputational scandals. Plans are derived and updated based on periodic simulations of the risk situation wherein the team tests its ability to coordinate to resolve the case, thereby indicating the sequence of actions and communications that would be necessary should the situation arise. A crisis team would ensure preparation for key eventualities, including wider team training and awareness and the maintenance of necessary liaisons, communications, personal documents, and equipment.

Strategic contingency planning focuses on adaptation to long-term and / or major changes in the operating environment, as indicated by scenarios. This is usually the remit of senior executive personnel but with the support of other programme leaders. Planning would address

issues such as conflict escalation, deterioration in the human rights situation, regime change, and other indicated changes that would take time to evolve but which would increase risk overall. Strategic contingency plans are reviewed in line with perceived volatility, and regular monitoring informs the team of when to adjust the outlook or initiate early stage preparations.

Intelligence monitoring is required to ensure that programmes align with the situation and do not become outdated. Priority actors, factors and risks, as well as scenario indicators, would be the subject of routine intelligence reporting, and reports would be used by programme leaders and senior management to keep plans current. Monitoring requirements can be parsed out to appropriate programme heads, but it is useful to have one designated intelligence leader to ensure that there is a holistic view of the emerging risk landscape and that information is appropriately shared. Like many companies, some NGOs outsource monitoring to external risk intelligence providers, but ultimately it needs to be led and owned in-house since much nuanced intelligence comes from the NGO's interactions with the socio-political environment and own unique sources therein.

All programme leaders led by senior management would be responsible for developing a **political risk management strategy**. In the concept presented above, programmes are themselves a more holistic approach than addressing each separate risk or stakeholder separately, but they still need a shared objective as the basis for coordination. Generally, the most serious potential situations and the most critical stakeholders define the strategic hub of political risk management, and programmes would be coordinated to ensure that these are accounted for in each programme plan. But tradeoffs also need to be explicitly recognised. For example, does the NGO increase acceptance by reducing protection? Does an appropriately stringent due diligence process need to be scaled back because of cultural sensitivities in this environment? Aligning with donor agency X helps with security capacity and in deterring hostile government actions, but would it damage the perception of the NGO's neutrality? A strategy will incorporate raw priorities, but it is also the result of careful thinking about how to manage tradeoffs and resolve contradictions in risk and engagement approaches.

An example of a strategy, and yet again going back to the business domain with which we are more familiar, could be a mining company operating in Mozambique. The main issues were local content regulations (local hiring especially but also use of local suppliers and sub-contractors), corruption pressure, and security issues (burgeoning renewed conflict between the old civil war actors in the area of operations, nascent but indicative of worse to come, plus a spike in kidnap for ransom cases in Maputo and other urban hubs).

Local content was a major challenge because the civil war caused long a gap in education and the education system was still being re-built, hence very few people had even basic formal

education. This became the centrepiece of the political risk management strategy. Train workers, employ locally, and set up job-centric educational centres, and the company would gain considerable local credibility and perceived value well beyond its core mining operations. This would give it clout in denying corruption pressure, and social acceptance to reduce security hazard. Security was stringent but was carefully designed and trained for human rights compliance, and labour relations took into account a necessary learning and acculturation period. While many NGOs might be loath to learn from a mining company, this was an interesting and instructive case in foresight and strategic focus.

Plans imply a capacity to fulfil them. Smaller NGOs will of course have fewer personnel and specialist departments at both country and global level to handle specific programmes and cross-functional initiatives. People might have to wear more hats and inevitably there would be less explicit attention to non-priority aspects of political risk management. This is not particularly problematic. A small NGO is more likely to have a lower profile and to integrate less obtrusively into its operating environments, and it can be easier to maintain consistent messaging and holistic situational awareness when these are not parsed between different teams. There might also be opportunities to share capacity with other NGOs. There are scale benefits in political risk management, but being small is not a distinct disadvantage.

Organisational Considerations

This section addresses the question of how human resources can be aligned to increase political risk management capacity at the organisational level of the NGO, as opposed to country and issue programmes and task forces which were examined above under planning. In the aftermath of the Iranian Revolution in 1979-80, many international companies with either experience in Iran or just watching how seemingly quickly a country could dramatically change, decided to create political risk departments as a way of forewarning about political change and to provide internal advice on how to manage it. With the 1990s there was a fad of "process re-engineering" which focused on cost cutting and the "lean organisation", and support departments were heavily affected. In the early 1990s the fall of the USSR and apparent victory of Western ideology seemed to affirm that explicit political knowhow was no longer necessary. Political risk departments, now regarded more as an exotic distraction, more or less went out the window. The fact that few such departments had ever been well integrated into strategy and operations did not help the political risk function's case.

Growing global rivalries, awkward business environments in the new countries of ex-USSR, and the threat of Jihadist terrorism put the question of political risk units back on the radar

(One recent major impetus was the Algerian In Amenas gas plant attack in 2013, which led to new political risk units in several extractive companies). There is still no broad consensus on the relative merits of having such units, but more companies and business divisions are devoting resources to understanding socio-political contexts and change patterns, and indeed all related activity from around an international company adds up to much political risk management going on.

NGOs will no doubt face similar questions and challenges, with the exception that many international NGOs already possess an innate capability for at least social research and analysis and an understanding of how to assess and plan social stakeholder engagement. However, to restate one initial premise of this paper, NGOs thus far seem not to have explicitly utilised or built on this capacity to manage their own political risk.

The merits of a distinct political risk department and what it looks like is not really the question here. In the best of all worlds, if an NGO were big enough to have the available staff, could afford it, were willing to scope an integrated and effective remit, and back it up with executive and board-level oversight, a political risk unit could be valuable. Those are a lot of "ifs". One important reason for the past apparent failure of such units in companies was that political risk management is a front-line activity and elements of it are best handled by functions and operational managers with the right sub-expertise and with a direct sense of how socio-political dynamics affect operations, whereas political risk units were often niche specialists remote from the firm's core activities. There is no point in setting up a unit as an experiment that could turn out to be an academic appendage and a flash in the pan, especially since confidence in political risk as a valuable concept could share the unit's fate.

In more realistic terms, if such a capacity is necessary but a specific unit would be an awkward add-on, the question is how an NGO can create and nurture relevant capacity within the existing organisation. At a bare ones level, there would need to be the following enablers:

- Leadership and oversight, without which the initiative might never get off the ground
- A clear, shared concept of political risk tailored to the organisation's context
- Knowledge management / institutional learning – practice guidelines, lessons learned, emerging good practice, and a means to disseminate and share this knowledge
- Coordination mechanisms – to ensure that relevant functions have a consistent and easy way to jointly plan and share information
- Collaboration, inclusion, and communication fora – to ensure awareness, inspire participation, and provide a means to share and test ideas and contribute to good practice

How this is resourced, in human terms, depends on the size and design of the organisation, but some brush strokes are possible. Oversight can be handled by the Board, with a specific board member experienced in complex environments and relevant issues acting as liaison. Leadership is one person, with relevant experience and sufficient gravitas and visibility to act as a lynchpin for political risk management in the organisation. Political risk would not be their "day job" but it would be an extension of it, and leading the initiative would vary in intensity, from higher at the beginning to lower once political risk management was an established and ongoing activity. Other members of the original political risk initiative should represent all relevant departments, geographies and programmatic themes. One could envision four to eight people involved in setting up the capability, which would be increasingly supported by other staff through their participation and burgeoning interest via collaborative fora.

The above suggestion is not the same as setting up a new function. Most international NGOs have been tacitly managing political risk to some degree regardless of any specific label for it. The above or similar frameworks only align and coordinate existing capabilities to achieve a multiplier effect, getting more concentrated capability from the same resources with a moderate injection of time and attention. How formal, explicit or intensive the ultimate political risk management capability should be is largely a factor of organisation size, exposure to volatile environments, and organisational culture, although culture should be adaptive to pressing needs.

Again, for larger international NGOs with regular exposure to unstable or volatile environments, or whose mission and operations are particularly exposed to shifting global attitudes, a permanent political risk unit, as the intelligence and advisory hub in the organisation, could make sense. But as the above indicates, there are options short of this that could make a significant difference to socio-political awareness and resilience without the risk of putting political risk into its own tenuous organisational silo.

The relationship to emerging enterprise risk management systems (again, ERM) would need to be addressed. This has been considered earlier, but it is worth reiterating that political risk management is not the same type of activity. ERM ensures that all risks and risk management measures are accounted for and tracked in one place, enabling full visibility of potential issues within the organisation, and this does indeed help in strategic and operational planning, although that translation still seems to need more work. Political risk management is about managing the relationship between the organisation and its socio-political environment, and hence is a much more operational pursuit, integrated with front-line activities. Political risk management can feed into ERM, but one should not assume that ERM includes political risk

management capability. ERM is similar to accounting in that it is principally an internal reporting and monitoring function using data from within the organisation. Political risk management generates some inputs for ERM, but it is primarily an outward-facing activity in direct contact with actors and dynamics beyond the organisation. Political risk management is premised on assessment, but its ultimate effects are via the daily interactions of personnel and units thereof with their socio-political environment.

Final Considerations

Taking the broader view of political risk as the intersection of social and political behaviour that could affect the organisation, one brief for this paper was to test it against the international NGO context to see if and how it applies. It seems applicable, though this would vary by sub-sector and organisational context. This takes us back to the question of why, after political risk management has been around for so long in the commercial domain, it still seems nascent as a concept and explicit practice among international NGOs.

One hypothesis is that there could be a concern that just by using the label and thinking in political risk terms, an organisation looks like it is taking an "us and them" perspective. Just as harder security measures could alienate host communities, perhaps explicit political risk management also risks alienating stakeholders. Furthermore, international NGOs tend to have organisational cultures that support the trust and empathy underlying their developmental and humanitarian missions. The message of political risk management might not sit well with organisational culture or the attitudes of many staff, and this could be a corollary inhibition in developing explicit capabilities.

International companies have faced the same question. Some sectors and periods in post-war business history were somewhat notorious for "playing politics" and as public corporate citizenship image became increasingly important, there was a shift from openness about political knowhow to an image of separation of business from politics. Much political risk management has been subsumed under the euphemistic label of "sustainability", which can include anything from respect for the environmental to workforce diversity, but it also usually includes stakeholder engagement, including with official institutions. Separating politics and business and only focusing on positive engagement with "partners" is of course not feasible for an international business that actually works in other countries, and both within and outside "sustainability" much is going within a company that constitutes political risk management. Many departmental functions and international executives who do not bear a formal political risk title would be very familiar with the contents of a typical political risk textbook.

Some level of political risk management, by whatever name one prefers, is necessary when operating within and across complex socio-political terrain, but aside from in certain sectors which routinely work via government contracts, such as extractives or public infrastructure provision, it seldom comes close to being identified with an organisation's brand or core mission. Instead, it runs as an extension of several functions and levels of the organisation, coordinated by a shared concept, but aimed at enabling the legitimate core mission and activities, not at making the organisation a political player.

Positioning is an important consideration, and political risk management could come across as organisational self-defence or adding a Machiavellian skill set if taken in isolation from its raison d'être and context. Political risk management is not an end in itself, but an enabler of the mission even when socio-political dynamics are complex and challenging. It does not entail suspicion of those with whom the organisation interacts, rather it is based on a pragmatic recognition that socio-political interests matter to the organisation's performance, and that in political contention there can be "collateral damage". Finally, if an organisation operates in volatile circumstances, then political risk management is only a fine-tuned and coordinated extension of existing awareness and capabilities, not a high profile independent function in itself. There is certainly no inherent contradiction between political risk management and a mission built on trust and empathy, and positioning the concept to reflect this has a strong case to build on.

Another final consideration is how useful it really is to wrap up socio-political actors and issues into one conceptual framework, and to treat this as the context of one's operation. Are society and politics really linked? Is the political domain our relevant context, or are we really operating in a social or cultural context or even a specific sub-context such as gender relations or healthcare? The answer depends in part on how much consensus there is around national identity and socio-political values, and how robust and independent political institutions are. When these are firm, the socio-political context forms only an abstract background to other specific domains of interaction. When these are in flux or weak, then political questions tend to permeate other domains, and everything can become a political symbol or a win or loss to one or the other ideological stake. Thus political risk as a conceptual and interpretive framework might be almost irrelevant in some cases. It becomes more relevant the less stable or more dynamic the socio-political environment is, and also the less consensus there is likely to be around the socio-political interpretation of an organisation's presence or mission.

It used to be that in more developed Western or "northern" countries, anything short of a revolutionary or extreme endeavour or idea would hardly be of political significance, and NGOs and businesses could get on with core activities without worrying much about how they

looked to political stakeholders as long as they did not break the law. Concern for the political context was mainly relevant in "complex emerging markets" / developing countries. That remains true, but in recent years developed countries too have experienced significant cracks in consensus, and political interpretations are increasingly foisted upon what were once quite banal activities and endeavours. Political risk certainly remains a useful conceptual framework for developing and transitional countries, but it is actually becoming even more relevant at the global level because of the politicisation of public discourse in developed states, as well as the increasing use of government pressure on non-governmental domains to increase advantage with respect to foreign rivals and sometimes to pursue nationalist political agendas. Political risk is not always relevant to a project, but the space, both geographic and thematic, where it does not matter seems to be shrinking.

We conclude by reiterating the hypothetical character of this paper and its modest aim. It is not a research paper, nor is it not a report. Rather it is an informed hypothesis about how political risk and management thereof could be relevant to international NGOs. This will hopefully inspire deeper consideration among readers in the context of their own organisation and its operating environments. Ultimately we would also hope that the paper becomes a basis for discourse that will lead to mutual learning and which will enable further steps in developing a political risk management concept relevant to the NGO context.

Appendix: Selected References and Useful Sources

Here is a list of some sources consulted for the paper. Other sources were perused or scanned but were scant in our perusal, and corporate cases were drawn from memory though on occasion with refreshment from published summaries. As this was not a research paper, most sources were only for cross-checking ideas or for our preliminary research on the state of the art in NGOs. We include these for indications of further reading, and we have simplified the referencing format to make it quicker for ourselves and for prospective readers, but beyond the links there is enough in each entry to be able to trace the paper online or elsewhere. Links are not in a particular order, and papers are in alphabetical order by the author's last name. A reading list would include more, and readers can look up different aspects of relevant issues to plug the gaps or corroborate issues of interest.

Links

https://eight2late.wordpress.com/2012/07/25/the-illusion-of-enterprise-risk-management-a-paper-review/ (blog discussion of academic essay on apparent misconceptions of ERM)

https://www.ngosafety.org/about (security is one topic covered)

https://www.humentum.org/blog/what-ngos-need-know-safety-security-risk-management

ec.europa.eu/echo/.../ECHO/ECHO12%20-%20echo_generic_security_guide_en.doc (Generic Security Guide for Humanitarian Organisations, ECHO, 2004 - online but as a Word link)

https://www.eisf.eu/about-us/ (security management resource)

https://odihpn.org/magazine/counter-terrorism-and-humanitarian-action/ (counter-terrorism laws and NGOs)

https://www.openglobalrights.org/the-hazards-of-international-ngos-going-local/ (concerns about international NGO localisation)

https://www.nonprofitrisk.org/resources/e-news/5-steps-to-effectively-managing-social-media-risk/ (note that this seems to be a quick piece and requires background analysis)

https://www.theodysseyonline.com/when-aid-doesnt-the-reality-ngo-exploitation (an article critical of NGOs and a good example of a rather hyped and slanted casual news piece)

https://dailytimes.com.pk/196119/dark-side-ngos/ (looks at how NGOs are portrayed in government thinking)

https://gefira.org/en/2016/12/04/ngos-are-smuggling-immigrants-into-europe-on-an-industrial-scale/ (an example of fake news by a blatantly biased source called Global Analysis from the European Perspective)

https://www.globalpolicy.org/component/content/article/176/31406.html (questioning NGO legitimacy)

https://www.hrw.org/world-report/2017/country-chapters/dangerous-rise-of-populism (populism / extreme nationalism from a human rights NGO perspective)

https://www.theguardian.com/global-development-professionals-network/2016/aug/25/fraud-aid-agencies-upset-public (NGOs and anti-fraud / corruption capacity)

https://integritas360.org/2015/03/corruption-what-ngos-dont-want-you-to-know/ (on NGO misconduct and financial crime, not well contextualised but still indicative)

https://www.msf.org/why-msf-decided-leave-somalia (Medecins sans frontiers having had enough of harassment and threat, their decision to leave a needy society in 2013)

http://hir.harvard.edu/article/?a=1103 (NGOs and the liberal political narrative)

https://www.theguardian.com/commentisfree/2014/jul/07/aid-corporations-clothing-compassion-msf-charities-south-sudan-syria (Critique of NGO use of funding)

https://www.washingtonpost.com/news/monkey-cage/wp/2017/07/05/__trashed-4/?noredirect=on&utm_term=.99e4fdff197e (government constraints on NGO activity)

https://charter4change.org/ (the forum for localisation of NGO interventions, including member list)

https://odihpn.org/magazine/perception-and-acceptance-at-community-level-the-case-of-msf-in-yemen/ (specific case of MSF acceptance in Yemen 2009, pre-war, but instructive)

https://www.theguardian.com/global-development-professionals-network/2016/sep/07/the-indian-government-has-shut-the-door-on-ngos (instructive case of government attitude to NGOs)

https://www.theguardian.com/global-development/2016/feb/05/aid-directly-to-local-organisations-more-effective-more-timely (about donor funding and shortcomings in shoring up local NGO capacity)

https://www.presstv.com/Detail/2015/10/30/435636/US-ngo-spy-north-korea (an example of a hostile piece rendered from a news agency controlled by the government)

https://www.theguardian.com/global-development/2014/aug/10/libya-insecurity-aid-workers-leave (a case of NGO departure from a fragile and insecure situation)

https://www.theatlantic.com/international/archive/2014/06/the-rise-of-militarized-ngos/373074/ (an interesting piece that explores how governments use proxies)

http://atha.se/blog/what-role-do-private-military-and-security-companies-play-securing-humanitarian-organizations (NGOs and security companies, and emerging human rights standards for security in the NGO space)

https://www.theguardian.com/global-development/2017/apr/26/anti-terrorism-laws-have-chilling-effect-on-vital-aid-deliveries-to-somalia (anti-terror laws and NGOs)

https://core.ac.uk/download/pdf/96253.pdf (about the relationship between expatriate and local staff, questioning the merits of expatriate staff in control of local operations)

https://www.interaction.org/document/ngo-risk-management-principles-and-promising-practice-handbook (on emerging NGO risk management practices)

https://www.usip.org/sites/default/files/sr284.pdf (on NGOs and non-state armed groups)

Papers

Christopher Collier, *NGOs, the poor, and local government*, first published in Development in Practice Volume 6, Number 3, 1996

EISF, *Security Risk Management – A Basic Guide for Smaller NGOs*, 2017

Larissa Fast, Kroc Institute for Peace Studies, University of Notre Dame Elizabeth Rowley, Consultant Michael O'Neill, Save the Children Faith Freeman, Save the Children, *The Promise of Acceptance*, for USAID and Save the Children, 2011

Margaret Gibelman and Sheldon R. Gelman, *A Loss of Credibility: Patterns of Wrongdoing Among Nongovernmental Organizations*, International Journal of Voluntary and Nonprofit Organizations · December 2004

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